CONTINENTAL SELENG PRICES: AUSTRIA Sch. 15; BEIGIUM Fr 30; DENMARK Kr 8.00; FRANCE Fr 5.00; GERMANY DM 2.0; ITALY L 1,000; NETHERLANDS FI 2.25; NORWAY Kr 6.00;

Lifeboat fund will families

GENERAL

THE WAS DESTRUCTED TO SERVICE AND ASSESSMENT OF THE PARTY OF THE PARTY

Families of the eight drowned Penlee lifeboatmen will receive almost all the £2m raised by the

Settlement was reached after talks between the fund's (DME 2241), FFr 5.7375 (FER 5.685), SwFr 1.811 (SwFr 1.791) and Y219.50 (Council chief executive laborated Moore and Council chief executive lab Council chief executive John Meore said Sir Michael had agreed the fund was a private rather than charitable trust.

Snow hits North

Snow, strong winds and floods index improved to 91.4 (91.3). brought chaos to much of the Page 22 North, blocking roads and disis expected to spread southwards across most of Britain

York was cut off as the swollen River Ouse rose 16 ft 4 ins above normal, its highest since 1947. Police hope lower temperatures might stem the floods. Weather Back Page

Coup bid charges

Forty of the 45 said to have been mercenaries involved in an abortive comp on the Seychelles islands will be charged under South Africa's anti-hijacking law. Page 3

Golan wite anger

Arab countries stepped up calls for action against the U.S. which is likely to voto a UN Securitly Council resolution urging sanctions against Israel for annexing Syria's Golan Heights. Back Page

Jailed Briton 'fit'

British businessman Andrew WALL STREET was 15.23 Pyke, held without charge in an down to 867.27 at 3.00 pm. Iranian jail for the past 16 Page 24 months is "fit and well," his father said after returning from STOCK EXCHANGE is visiting him.

Creation ruling

to give equal balance to fundamentalist and evolutionary views of creation. Page 4

Mortars alert

Royal Uister Constabulary said the Provisional IRA planned continued combing from home-made mortars "in spite of the proven inaccuracy." Federation

Alderson to quit

Constable John Alderson, the 59-year-old pioneer of community policing, will resign in April Page 6

Bilbao kidnap

Gurmen kidnapped 75-year-old byesinessman Jose Lipperheide from his home in a Bibbso suburb. Page 2

Children drown

Twelve children drowned when a canoe carrying 21 members of a family capsized in bad weather on an Amazon river

Skydiver dies Edith Summers, a 60-year-old British parachutist, fell 7,500 ft

to her death in Florida when her

chute failed to open.

India's Test target Page 18 India, needing 306 to defeat England in the Calcutta Test. were five for no wicket after

four days. Briefly ...

Toulouse police recovered all 119 machine guns stolen from an arms depot in November. South Korea lifted a midnight year to end-September. Page 14 to 4 am curfew imposed in Secul since 1945.

Three prisoners escaped from Preston jail.

RISES:

Gréycoat Estates 147 + 7 Hallife 192 + 6

Highgate & Job 54 + 8

Ward (T. W.) 218 + 8

Gold Mines of Kalgle. 368 + 8 Peko-Wallsend 330 + 10.

Exch. 14% 86 £40pd £361 - 1 Treas. 131%. 2004-08 £90 - 1 Bank of Scotland 498 - 10

Barratt Devs. 210 - 5

British Aerospace ... 198 - 6

Black (P.)

Anderson Strathclyde 94

CHIEF PRICE CHANGES YESTERDAY

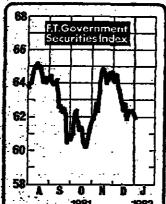
(Prices in pence unless otherwise indicated)

BUSINESS

\$10 rise for gold; gilts off 0.45

• STERLING fell 1.40 cents to \$1.9125. It rose to DM4.3275 (DM 4.32), FFr 10.975 (FFr 10.95) and SwFr 3.465 (SwFr 3.4525), but eased to Y420 (Y422). Its trade-weighted

rupting rail services. The snow • GILTS were nervous after the sharp U.S. money growth increase and pessimistic long-



term interest rate forecasts. The Government Securities index was 0.45 down at 61.89. Page 26

• EQUITIES also responded to the U.S. influences, but the FT 30-share index recovered from ts worst to finish 4.2 off at 518.L. Page 26

expected to publish on Friday proposals for a ne missions structure.

A U.S. judge abolished an STERLING M3 grew by 0.25 Arkansas law compelling schools per cent last month, the smallest rise for more than a year. Back Page

> ● UK RESERVES of gold and foreign currency fell last month to \$23.35bn, a drop of more than \$4bn during the year. Page 6

> • BL's output of cars and carderived vans will go up this year by at least 14 per cent to between 450,000 and 500,000, Chairman Ray Horrocks said.

Devon and Cornwall Chief • GIRO CREDIT system busivolume has dropped sharply since the clearing banks introduced charges last summer.

U.S., COAL EXPORTS are

expected to rise 10 per cent this year over the 1981 total. Page 4

• WORLD BANK raised \$4.16bn on international capital markets in the first half of its current fiscal year. Page 19

• THOS. W. WARD, the industrial holding company, fore-cast a strong performance for the coming year in its detailed rejection of the fillim take-over bid from Rio Tinto-Zinc Corporation Page 18; Lex, Back Page

 ISIS group of construction and plant thre businesses have been bought from United Dominious Trust under a management buy-out scheme.

• MERSEY DOCKS and Harbour Company is to pay a further 2p per £1 unit to holders of the subordinated unsecured

loan stock. Page 17 PLEASURAMA, the enterfainment and amusement concern, reported pre-tax profits up from £4.6m to £5.58m in the

people, is the biggest supplier of structures for the offshore ■ HOWDEN GROUP increased taxable profits from £3.05m to £3.37m in the six months to end October. Page 14

Cornell Dresses 155 - 8

Eagle Star 318 - 7.

Hendys 95 - 5

Mercantile House ... 423 - 15

Midland Bank 340 - 8

Pearl Assurance 388 - 8

Racal Electronics ... 428 - 7

Royal Bk. of Scotland 186 - 9

Sun Alliance 816 - 14 Union Discount 400 - 10 Utd. Engineering ... 253 - 7

BP 302 - 6 Double Eagle 40 - 8

KCA Int. 122 - 6

Mothercare 155

Pilkington

Union leaders fear votes may reject Ford pay package

BY IVO DAWNAY, LABOUR STAFF

CRUCIAL MASS meetings take place today at Ford's Halewood and Dagenham plants amid concern among union leaders that workers may reject their Ford estimates that accept mously to recommend that its recommendations to accept the ances yesterday at Southampton, members accept the company's company's pay and conditions Enfield, Leamington, Dunton offer.

offer which includes a 7.4 per cent basic pay rise, higher 20,000 of the 54,000 workforce.
pensions and a 39-hour week. Some union leaders admitted

the axle and transmission plant indicated that the trend was went on strike after a meeting voted by almost 2 to 1 to reject the offer. At Bridgend midin Glamorgan 1,600 workers gave

notice of strike action from Monday after throwing out the package. Shop stewards at Halewood, where 10,000 assembly and body plant workers are already

on strike, yesterday voted had an obligation to put the unanimously to defy their national recommendation to the negotiators and recommend Halewood meeting. Some 750 workers at the car

Ford said last night that it . The executive of the Amalgawas also expecting a majority mated Union of Engineering for rejection at the 1,200-strong Workers, Ford's second largest Belfast plant.

and Basildon give a 3 to 1 Yesterday, workers at a series majority in favour of the offer of smaller plants threw out the among the plants that have

Some union leaders admitted At Swansea 1,660 workers in last night that initial returns running against the negotiators' stances." recommendation that the offer be accepted. But no union headquarters was prepared to make a firm prediction on the outcome. Mr Ron Todd, chief negotiator

for Ford's 13 unions, said he was surprised by the Halewood workers' decision to proceed with strike action He said the shop stewards

'If there is a majority favour of rejection, then the kit plant near Dagenham national committee will meet ignored their union officials and again to decide on a course of action," Mr Todd said.

mated Union of Engineering

Mr Terry Duffy, AUEW president, said he felt sure his members would accept, and polled. These represent about urged them to work normally.

"We feel we can trust the negotiators," he said. "They have decided that this is the best possible deal in the circum-

The AUEW executive's deci sion is tantamount to warning the union's members that they may not receive £12-a-week

Mr Moss Evans, general secretary of the Transport and General Workers' Union, the largest at Ford, said last night that the union had ample funds to sustain a long strike.

The TGWU had set aside £2m

on short-term deposit which would be sufficient to pay their 40,000 Ford workers £12 a week for four weeks. A further £16m could also be made available,

Reagan calls for 'tangible' Nato response on Poland

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

PRESIDENT Ronald Reagan the lifting of martial law, the the alliance. Herr Schmidt, yesferday called for an im-release of all detainees and the however, does not share this yesterday called for an im-mediate "tangible" response by the Nato alles to the Polish military erackdown.

But there was no sign in talks in Washington that he had persuaded Herr Helmut Schmidt, the West German Chancellor, to follow the U.S. and impose sanctions on the Soviet Union.

Mr Reagan evidently felt that the Community's response had not been strong enough and called for "forceful Western measures."

If the West failed to insist that the Soviet Union stop putting pressure on "Poland directly or indirectly." there would be the gravest consequences for international rela-tions, Mr Reagan said. Herr Schmidt and Mr Reagan

stressed the importance of allied and German-American solidarity at what the President called "a critical moment in world affairs." It was also clear that they

tives in relation to Poland - in creating serious strains in

resumption of a "national view.

But Mr Reagan's stern warnthese ends received little echo from Herr Schmidt.

he had acted as a representa-tive of the 10 EEC countries to relay to Mr Reagan Monday's statement by the Community's foreign ministers in Brussels. The statement, which agreed not to undercut the

sanctions but did nothing to introduce immediate EEC sanctions, had been welcomed by the President. The State Department repeated yesterday that while European sanctions need not

match precisely U.S. actions, Washington wants "parallel measures" from its allies. Many members of the Reagan Administration are afraid that Moscow, through its tactic of

sweet talk to Bonn and tough shared the same three object talk to Washington, will succeed

The Americans also fear that But Mr Reagan's stero warning the Europeans are not seen ing of the need to put tangible to be following the U.S. in pressure on Moscow to achieve imposing sanctions, the U.S. public will become even further disillusioned with the allies-The Chancellor said only that and the whole U.S. commitment to Western Europe could be

> Herr Schmidt, however, said earlier this week that the differences in the alliance over Poland were of a "routine' Before meeting the President,

Herr Schmidt rejected U.S. criticism that West German policy had been too mild towards Moscow. He turned the tables on his

American critics by complaining to a group of senators on Capitol Hill that the U.S. had failed to consult its allies announcing last sanctions. Solidarity leaders may face

exile, Page 2 Greece says it is not bound by EEC declaration, Back Page

for big expansion package

By Peter Riddell, Political Editor

AN EXPANSIONARY package of £2bn to £3bn is likely to be advocated by some of the so-called "wet" Ministers when the Cabinet as a whole discusses the spring budget in about a month's time.

Their priorities seem to be a cut in employers' National Insurance surcharge, increased public sector capital investment, and possibly some action to ease industry's energy costs. The wets" generally believe these measures should come ahead of any basic rate income tax reduction.

The debate about the Budget by the full Cabinet contrasts with previous practice under Mrs Thatcher. It follows protests last year from Ministers who were upset at not being consulted before large tax increases were unveiled by Sir

Geoffrey Howe, the Chancellor, It has now been conceded that the Cabinet and not just the Treasury, should be able to discuss the economic outlook and the broad balance of the Budget. Non-economic ministers expect only to be involved in the general shape of the measures. They do not want to participate in detailed decisions about individual tax rates.

A specific date for the meet ing has not yet been fixed but it is likely to be at the end of January or early in February. since Budget day is almost certain to be in the first half of March, probably on Tuesday 9th.

The "wets" intend to use the Cabinet debate to press for their own package. This group of Ministers and like-minded backbenchers have emphasised strongly the need for a change in direction in the spring Budget., These Ministers have appar-

ently not yet co-ordinated their approach, but their preliminary thinking seems to focus on a £2bn to £3bn package. The scale is partly symbolic since the Ministers do not want to with the £5bn package put forward by Sir Ian Gilmour, the sacked Cabinet Minister, yet yet they do want a clear move away from present policies.

There appears to be general agreement among the "wets" and within the Treasury that Government cannot again fail to raise income tax allowance thresholds in line with inflation, as it did last March.

There is also strong pressure from Tory backbenchers and Continued on Back Page Money supply rises, Back Page UK reserves fall, Page 6

'Wets' aim | Mexican heavy crude price cut

BY RAY DAFTER, ENERGY EDITOR

ing pressure from international crude will continue to cost \$35 oil companies.

surplus of supplies. Mexico's move follows a spate

last week after the December ministerial meeting of the Organisation of Petroleum Exporting Countries. Industry reports yesterday said that had been forced to respond t Algeria—one of the most market pressures. The heavy hawkish OPEC members—had crude, used mainly for making also decided to cut the price fuel oil burned by industry and of its light oil by 50 cents a barrel to \$37 although refining companies maintained that the price was still too high in view of the depressed demand for products such as petrol, heating oil and boiler fuel.

The Mexican price cut relates 1980. only to its heavy Maya crude one of the thickest and most expensive grades of oil to refine

MEXICO has cut the price of which is traded extensively in its heavy crude by \$2 a barrel the international market. The from \$28.50 to \$26.50—follow-lighter, more attractive Isthmus

a barrel. The January 1 price reduction, by the world's fourth all of its crude as a 50-50 mixlargest oil producer, is a signi-ture of light and heavy grades ficant pointer to the continuing the average price of the country's oil has been reduced by \$1 a barrel. Pemex, the State of smaller price cuts introduced oil corporation, said the prices would be reviewed at the end of

Officials of oil companies in Europe and the U.S. said Mexico had been forced to respond to market pressures. The heavy electricity generating stations, had become seriously overpriced. In the U.S., the major market for Mexican oil, demand for heavy fuel oil early last month was 27 per cent down on the corresponding period of

Earlier this week. Venezuela, Continued on Back Page Lex, Back Page

HOW OIL PRICES HAVE FALLEN							
	Grade (degree	es Al	PI)	(\$ p Jan. 1982	er barrel) Oct. 1981		
Saudi Arabia:	Medium		31	32.40	33.00		
	Heavy		27	37.00	31,50		
	Light		34	34.00	34.00		
Kuwait:			31	32.30	33.00		
Iran:	Heavy		31	32.30	33.00		
irag:	Basrah (Gulf)		35	33.46	33.96		
Abu Dhabi:	Murban		39	35.50	35.70		
Algeria:	Saharan			37.00	37.50		
Libya:	Amna	_		35.60	36.80		
	Zueitina			37.00	37.50		
North Sea:	Flotta	3		35.25	35.50		
Venezuela:	Cabimas	;		29.62	30.52		
Mexico:	Maya	_		26.50	28.50		

Source: Petroleum Intelligence Weekly and Industry sources

BP to close Dunkirk plant BRITISH PETROLEUM is to marketing and Paris headclose its Dunkirk oil refinery and axe about 900 jobs in France as a result of the con-

The move-affecting the group's 79 per cent-owned sub- is to be closed. sidiary Société Française des Pétroles BP-is the latest in a series of measures to reduce BP's Western European refinery

The refinery, with an annual capacity of 4.4m tonnes, will shut this year, although BP intends to keep open its lubricants and bitumen plants on the same site About 400 jobs are expected to be lost at the

BP said a further 500 of its

quarters operations.

tinuing recession in the Euro- objectives. It has announced in pean oil products market, Ray the past year that nearly 23m tonnes of its original 100m-

tonnes)

capacity by about 25 per cent in 1981-82.

4,700 French labour force to close at least 30 per cent of would be affected by rationalisatheir capacity to balance supply tion measures in its supply,

The decision means that BP has almost met its closure

tonnes-a-year European capacity Six refineries have borne to οf these measures tonnes): Dunkirk (4.4m Antwerp (1.3m tonnes); Isle of Grain (10.4m tonnes); Vohburg-West Germany (2.4m

Speyer, West Germany (1.8m tonnes). BP's actions are in line with similar measures being taken by other major refinery companies. Industry analysts have suggested that Western European refiners would have

Dinslaken.

Germany (2.6m tonnes), and

Trafalgar House in takeover talks on Redpath Dorman Long

BY MAURICE SAMUELSON

talks with British Steel about the possible takeover of Redpath Dorman Long, the corporation's loss-making heavy engineering subsidiary. Trafalgar House already has engineering interests.

night that talks had been taking place, but refused to discuss their outcome or RDL's possible valuation. British Steel has been trying to find a buyer for RDL since last May when it said it wanted

Both sides confirmed last

to sell up to 60 per cent of its shareholding. The wholly owned subsidiary lost £7m after interest payments last year. Trafalgar House is one of the interests we have been dis- pany. cussing the future of RDL with," British Steel said. RDL, which employs 5,500

TRAFALGAR HOUSE is having industry and has large interests talks with British Steel about in civil and process engineering, and bridgebuilding.

Mr Eric Parker, managing director of Trafalgar House. said that through its ownership Cleveland Bridge and Engineering, the group was in the same business as RDL.

This week Cleveland Bridge and Engineering opened a £26m structural steel works factory at Darlington Co. Durham. Through another subsidiary, Cleveland Offshore, Trafalgar owns a module building yard at Middlesbrough.

Among companies previously named as possible buyers of RDL is Japan's Nippon Steel, the world's biggest steel com-Last year's performance by

RDL was considerably better

than in the previous financial

accompanied by a flow of orders for RDL's offshore rig building yard at Methil, Fife, took place under the chairmanship of Mr David Waterstone, who left the company last week. Union officials, who heard about the Trafalgar House talks

before Christmas, are understood to be worried that a takeover could lead to redundan-Mr Parker said last night that, although there had been a downturn in British Steel's business, "our policy is to

expand,' £ in New York 81,9350,9370 \$ 1,9130-9170

1 month 0.40.0.35 dis 0.35-0.25 dis 3 months 0.93-0.85 dis 0.80-0.70 dis 12 months 1.45-1.25 dis 1.10-0.90 dis year when it lost £16m after interest. The improvement, CONTENTS -

World aircraft industry: turbulent times ahead 12 The train of the future: tilting into The world recession: why oil prices must remain high 13

Energy review: Germany—spreading the

risks more thinly 8

Commercial law report: cases reported in Michaelmas Term (Part II) Management: ITT's prospects in telecommunications 9 Technology: low cost computer power 10 Editorial comment: Greece; money supply 12 Burnett and Hallamshire: the fastest growing UK company 23

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PROSPECTUS AD Robert Flemming . 16, 17

Who furnished MFI with a brand new Retail Centre? PANTURE CENTRE

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Solidarity leaders may face exile

the West some former Sildarity as a moderate leader. free trade union leaders, General Wojciech Jaruzelski hinted to EEC ambassadors during his meeting with them on

"There is no place for Soli-darity extremists in Poland." he told the ambassadors. But he did not indicate whether Mr Lech Walesa, the union's head. was included among those interned leaders which the regime is anxious to expel. Mr Walesa's resfusal to negotiate with the martial law authorities except in the presence of all other members of the Solidarity praesidium is believed to be a serious embarrassment to the

Mr Walesa is reported to have been under considerable psychological pressure designed to persuade him to denounce

ponsible for events in Poland

and to apply limited sanctions

both irritated the Europeans,

who felt they had not been

properly consulted, and also put

them on the spot Already un-comfortably aware that in the

U.S. Europe is increasingly re-

garded as the "wet" sector of the Atlantic Alliance, EEC

Foreign Ministers gathered in

reconcile differences among

themselves and to close ranks

the British Foreign Secretary,

be convinced that the two sides

Foreign Ministers meet here

set of measures affecting both

BY ROBERT GRAHAM, IN MADRID

the businessman's house.

Sr Lipperhelde, aged 75, came to Bilbao from Germany

more than 50 years ago and is

the uncle of a prominent mem-

ber of the Banco de Vizcaya.

However, there is no suggestion that the kidnap is connected

with ransom demands on the

bank. Until now, neither of the

two big Basque banks has been

The kidnap has added tension Sebastian.

threatened for money by Eta.

Although Lord Carrington,

with the Americans.

Mr Walesa, however, still

when martial law is removed.

told them he would "have no objection" if Western counties agreed to accept those Solidarity leaders which the authorities may wish to expel. Community

According to liplomats, Gen Jaruzelski repeated assurances that the regime did not intend to turn the clock back in Poland, but martial law would remain in jamming comes from Soviet Polish Communist Party, has force for a considerable time. transmitters in Smolensk and While some trade union leaders would be released if they prospectively. Started on December 30 but reaching London. he gave the impression that martial law would remain in

remains their best hope of to have made no comment on BBC Polish language broadcasts re-establishing some form of the General's hints about expulbetween 1956 and 1963. BBC future co-operation with what sions, but Western diplomats Polish language transmissions remains of the Solidarity union take the possibility seriously. Widespread expulsions of Soli-The ambassadors are under- darity activists would be seen stood to have reported back to as a cynical denial of all their foreign ministers meeting assurances that the military in Brussels that the General had regime does not intend to kill the reform movement.

Hints of new moves against Solidarity leaders came as Lord Trefgarne, Minister of State at the UK Foreign Office, called in Mr Stanislaw Staniszewski. the Polish ambassador to Loudon, to protest against the total jamming of BBC polish lan-guage broadcasts.

POLAND'S MILITARY Governdarity union and agree to mise to refrain from "subverwas stepped up to cover all ment is considering exiling to negotiate with the authorities sive activities," others would short-wave Polish language The ambassadors were said transmitters regularly jammed were increased from 21 to 26 hours a week on December 22. Meanwhile, the Yugoslav Communist newspaper Borba

yesterday confirmed reports of widespread purge of the Polish Communist Party in a report from Warsaw. It also said that the authorities were having trouble suppressing underground activity by Solidarity while many party mem-bers were turning in their cards out of conviction that the party had lost the faith of the nation, Mr Zbigniew Iwanow, a well BBC enginers report that the known reformist member of the

on debts Euromarkets Correspondent SMALL group of international bankers is to meet in

London tomorrow for a further round of talks on Poland's debt But the meeting, which is

Bankers

to meet

CRISIS IN

POLAND

expected to be very short, is intended to concentrate on technical details related to the legal documentation of the proposed agreement to allow Poland to defer repayment of loans falling due last year to some 500 commercial banks.

Wider issues, such as the course of action to take on loans falling due this year, will be aired only in a very informal way. Western bankers said yesterday.

Proper discussion of these issues would require a meeting of the full task force of international banks which has been spearheading the negotiations with Poland, preferably with the participation of Polish government officials.

No such meeting has been called as yet, the bankers said, although there is growing pressure for the Polish Finance Ministry to be invited to attend

such a meeting.

Meanwhile, maturities falling due this year are expected to be extended informally pending new discussions, ust as those falling due last year were treated while the rescheduling arrangement was under negotia-

High-level visit

The Soviet Union said yesterday that Mr Jozef Czyrek, Poland's Foreign Minister, will visit Moscow within the next 10 days, writes our Moscow correspondent. Apart from a routine visit by the Polish Foreign Trade Minister before Christmas, Mr Czyrek will be the first known high-ranking Polish Government and party official to go to the Soviet capital since the military clampdown on DecemLeslie Colitt gives his own view of events in Poland

West carried away on a wave of wishful thinking

weeks in Poland before and since the "Gdansk August" of 1980. I have concluded that Western assumptions about the country's future are largely based on wishful

Before December 13, 1981 Western politicians thought the Polish Communist Party was capable of reform because it said it was. They also believed Solidarity could take a moderate course, for getting that the union felt cheated of power and mortally threatened by a party which saw its own endangered.

Vestern governments and bankers thought wide reaching economic reform were just around the corner in Poland and would somehow save the country from defaulting on its loans.

Today the West's attitude again rests mainly on hopes, this time about what the military government in Warsaw will achieve. However, it still ignores the key factor in the Polish equation — 36m Poles, 9m of whom were members of Solidarity.

After martial law was imposed in Poland, many Westerners seemed relieved to hear the government had "suspended" Solimilitary Solidarity and would soon resurrect a new union cleansed of

" adventurers." When it became apparent Solidarity was being smashed, Western peliticians appealed to the authorities to show their good faith and negotiate with the dismembered union. And would they please give a date when martial law would be lifted?

The military, responding with a straight face, indicated it was trying to talk with Mr Lech Walesa, but that he was proving stubborn. As to ending martial law, this depended on how quickly "normalisation" could be completed. Just in case this would take a

while, Warsaw began to describe the military government as "Communists in uni-

SPENDING many How was one to react to this farcical tragedy? The West could not have done worse than it has. It had 16 months in which to draw up a coordinated response to just such a military crackdown in Poland.

Instead, Washington cried wolf until it was hoarse while Soviet divisions manoeuvred on Poland's borders. The State Department chose to ignore the advice of a young American diplomat in Warsaw who had forecast just such a military takeover.

The West was caught not with its trousers down but wholly naked. President Reagan's counter-measures economic backfired before they were put into effect. Moscow and its allies were gleefully quoting Western European politicians on the futility of the sanctions.

The reactions by Western European leaders were hardly calculated to gain the respect of ordinary Poles who had their own ideas about how the West should respond. But even if a massive response was out of the question, the spectacle of so many politi-cians alternately moaning and shrugging their shoulders was depressing.

Yet optimism springs eternal .. the authorities in Warsaw have now promised that the economic reforms will be introduced shortly. And this has again encouraged the West which was growing despondent about the pros-

Just how a genuine economic reform—apart from price increases—is to be achieved with a regimented and despondent population robbed of all initiative defies the imagination.

The West will have to deal with the new Polish leader with the new Poish leader-ship just as it did with Poland's past Communist rulers. But it would be dan-gerous for it to forget the aspirations of the Polish people who ultimately will determine the future of their

Community

aid for UK

Newspaper group's fate embroiled in P-2 probe

By Rupert Cornwell in Run

THE ITALIAN Parliament's newly formed committee of inquiry into the P-2 affair is plunging in at the deep end. Its first hearing, scheduled today, will investigate the links between the ultrasecret Free-masons lodge and the troubled Rizzoli-Corriere della Sera publishing group.

The circumstances of the hearing are as bizarre as any in the protracted battle for control . of the Corriere, Italy's leading daily newspaper. Once again, however, they are threatening to increase the political tensions already menacing the five party coalition Government of Sig Giovanni Spadolini.

Assuming procedural wrangiing can be overcome, the star witness today will be Sig Bruno Tassan Din, managing director of Rizzoli, and arguably the central figure in the intricate negotiations over the future, of the Corriere.

The committee session was called after weekend revelations of tape-recordings of telephone



Sig Spadolini . . . pressure

conversations late last year between Sig Tassan Din, who controls a vital 10.2 per cen of the group, and Sig Licis Gelli, the fugitive Grandmaste of P.2, now dissolved by law. In the tapes, Sig Gelli is said

to have pressed Sig Tassan Din himself a reported member o P-2, to agree to plans, favoured by the Socialist and Christian Democrat parties, for the sal-of Rizzoli-Corriere della Ser: to Sig Giuseppe Cabassi, Milanese businessman.

Sig Cabassi, however, ha added to the general confusion by denying ever having nego tiated with Sig Tassan Din. o that he had ever had anythin to do with Sig Gelli. He ha Rizzoli, president of the group who holds directly 40 per cer

of its equity, he said. The latest developments as being seen generally as furthe proof of the determination Sig Tassan Din, alread embroiled in argument wit Rizzoli employees over planne cutbacks, to maintain his pos tion at all costs.

But the new entanglement Rizzoli and P-2-is being watche closely by all politicians her The P-2 affair toppled the privous Government of S. Arnaldo Forlani when it becan public in May 1981.

Five months later, S. Spadolini's administration w in jeopardy from opposition Socialists, members of his coa; tion, to proposals that to Corriere be sold to a group prominent businessmen, led

Sig Bruno Visentini, That plan has now be dropped. But the Socialists a keeping up their pressure the Government and talk oper of a new election, if necessar

Europe tries hard to close ranks with U.S.

BY JOHN WYLES IN BRUSSELS

AS FAR as most European Community Governments are con-cerned, one of the most disturbofficial Soviet news agency Tass yesterday sharply rebuked the EEC ing consequences of the Polish military crackdown is that they countries for their declarashould have been forced this tion on Poland, accusing them week to devise a reaction capable of impressing the United States as much as Poland or the Soviet Union. of open interference in the country's affairs, Reuter re-President Reagan's decision last week to hold Moscow res-

European and American analysis of the Soviet Union's part events in Poland. Whether or not Moscow instigated the military take over is now less relevant than the fact that it is agreed in the West that the Soviet Union and its satellites have a moral and political re-economic, commercial and finan-sponsibility for Polish repres-cial-links with the East.

and some of his colleagues should determine Western thought that Monday's meeting attitudes to the struggle for than to U.S. Soviet relations. could have done more, they democratic freedoms in Eastern In the meantime, the Ten a could have done more, they believe that the U.S. ought to Europe. In other words, the West could only be impassive of the alliance are now mov- to the Hungarian and Czecho- develop political and economic ing in parallel. When Nato slovak represssions but it has a measures of their own. The right and obligation to intervene over Poland because when next Monday, the Europeans they signed the Helsinki Final may emphasise the following Act both Warsaw and Moscow

Poland and Moscow which, like the U.S. sanctions, will be more political and symbolic than Europe which is designed to carry forward the Helsinki agreements, will be the forum July's Ottawa Summit to take • There is now little signifi- for a protest by Western part in talks later this month tralism is at stake.

believed to be an ultra-right-

The latter claimed in a call to

a local Basque newspaper that

the taxi driver had been killed

by mistake because of an error

of identity. The two people in-

jured, an old man and a six-

year-old child, were struck by

gunfire when Guardia Civil

came across the tail-end of a

demonstration outside

San

wing organisation.

Basque businessman

A BASQUE businessman, Sr to the new year, which has

Jose Lipperheide, was kid- already seen its first violence

napped from his home in a in the Basque country. In

Bilbao suburb yesterday in a separate incidents, a taxi driver

manner that bore the hallmarks has been assassinated and two

of Eta, the militant separatist people seriously injured by

organisation. Sr Lipperheide's Guardia Civil gunfire. The taxi

chauffeur was forced at gun-point to let the kidnappers into by a group known as Triple A.

seized at gunpoint

ports. Community foreign ministers had ignored the real state of affairs in Poland. it said, and the fact that all steps taken by the government there were its own domestic affair.

cant difference between the Foreign Ministers when it resumes on February 9. As the U.S. is beginning to acknowledge, there is little possibility, unless the Soviet Union intervenes in Poland, of Western Europe taking action which would inflict serious damage on its extensive

There was no real prospect on Brussels on Monday anxious to The UK, France, Italy and to Monday of the EEC adopting the an increasing extent West American sanctions against Germany, are beginning to Moscow because as Lord share the U.S. view that it is Garrington pointed out, they not the Yalta agreements but would deal a much more serious the Heisinki Final Act which political and economic blow to political and economic blow to Europe's relations with Moscow

In the meantime, the Ten are anxious to avoid undermining the American sanctions and to to the Hungarian and Czecho- develop political and economic biggest worry about the American sanctions is that so little is known about how they should be applied. The suspen-● By the end of the month the offered guarantees on human sion of licences for the sale of EEC should have assembled a rights. ights.

U.S. equipment for the Soviet gas pipeline to Western Europe on Security and Co-operation in remains the principal concern. France, Italy, the UK and

West Germany agreed at last

Rise in

French

jobless

By David Housego in Paris

increase in November was 0.7

mains, however, 23.7 per cent

higher than a year ago.

aimed at a possible tightening of restrictions on high technology exports to the Soviet Union. Poland now makes a clampdown on such sales much more likely.

Meanwhile, the measures which the EEC could well apply by the end of the month will affect both Poland and the The talks sche-Soviet Union. duled in Paris for January 14 on rescheduling the portion of Poland's debt guaranteed by Western governments are unlikely to take place, and if they do the West will put the negotiations on ice.

In addition, Poland will be denied any new credits and cutprice sales of food.

The dispatch of cheap food worth around \$100m which the Ten have already agreed in principle will also probably be

Finally, the Ten are prepared to raise trade barriers against some 30 per cent of Russian exports to the EEC. The other 70 per cent of Russian sales are energy supplies which would remain unaffected.

Any such move on the trade front, therefore, would have all the irritation for Moscow of aflea bite. But the fact that neither the U.S. nor the Europeans are yet ready to make any real economic sacrifices in support of Polish freedoms highlights the limited confidence on both sides of the Atlantic thet sanctions alone can influence Soviet policy when the future of Leninist democratic cen-

Turkish coffee makes comeback and gives grounds for optimism

FRENCH unemployment continues to rise but the rate of increase has slowed considerably over the past two months. out with coffee spoons, it has ended. The ban on the import of coffee, introduced in 1978, when the country's severest Provisional figures show that economic crisis set in, was the number of unemployed on an unadjusted basis rose in December to 2.019,000, an in-crease of 0.14 per cent over the lifted yesterday.

The ban was imposed because Turkey was short of cash and previous month. The equivalent although things improved remarkably last year, it was maintained as a symbol of per cent compared with a 4.7 per cent rise in October. The number of unemployed renational sacrifice.

Turkey's chief economic planner, often cited the sacrifice The Government wants to stabilise unemployment this year, which on demographic of coffee as a symbol of the discipline Turkey had imposed trends will require 250,000 net upon itself to tackle the crisis.

signal to Turks that things are

the economy. After two congrowth, gross national product that it created resentment had risen by 4.4 per cent, among conservative people and

Exports in the first 11 months On his missions abroad to raise credits, Mr Turgut Ozal, Turkey's chief economic planner, often cited the sacrifice

On his missions abroad to of last year had grown by 65

It was re-allowed in 1592 and forbidden again 1633, "less between the grown by 65

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It was re-allowed in 1592 and forbidden again 1 would be \$8.8bn compared with \$7.6bn in 1980.

Mr Canturk said that the im- of pleasure, vice and potential Unlike Turkish delight or port target for 1982 was \$10bn. sedition,"

IF THE life of the Turkish control of the trunkish control of this would go towards not indigenous. It is imported. The purchase of about 10,000 and the purchase of about 10,000 the purchase of about 10,000 of control of the control of the purchase of about 10,000 of this would go towards not indigenous. It is imported the purchase of about 10,000 of this would go towards not indigenous. It is imported the purchase of about 10,000 of this would go towards not indigenous. It is imported the purchase of about 10,000 of control of the purchase of about 10,000 of the purchase of about 10,000 of control of the purchase of about 10,000 of the purchase of about 10,000 of control of the purchase of about 10,000 It was not the first time that

Hooking up.

Mr Kemal Canturk, the Trade

Minister, who announced the small cups sade (without lifting of the ban, said that 1981 sugar), Orta (with some sugar), had been a successful year for or sekerli (with a lot of sugar) Coffee appeared in Turkey in secutive years of negative 1543 and became so popular

> was prohibited. particularly noxious, but because coffee houses were baunts

steelmen By Giles Merritt in Brussels AN EEC financial package

worth almost \$50m has been awarded to Britain to help fund schemes for aiding redundant steelworkers. The Commission grant will go towards pro-grammes being launched to help 13,600 steelworkers formerly employed at 23 UK plants. The finance is not part of the

controversial social programme being proposed by the Commission to under-pin its demands for a restructuring of the steel industry, but comes under the category of readaptation aids paid out of European Coal and Steel Community funds.

Steelworkers in five EEC countries are to benefit from the financial package just announced by the Commission,

Liberal Amsterdam struggles to stem rising tide of social problems

BY CHARLES BATCHELOR IN AMSTERDAM

'AMSTERDAM, like the hippies it so enthusiastically welcomed in the 1960s, is showing signs of age. Long a magnet for the outcast, the liberal Dutch capital is fast reaching the limits of its ability to absorb new-

The city's desperate shortage of housing has produced a vocal, and frequently violent, squatters' movement. The drugs problem is out of hand and crimemuch of it drug-related—is turning some parts of the city into no-go areas for tourists and local people.

A few years ago, Amsterdammers relate with sorrow, even the red-light district was a place where ordinary families lived and felt quite safe. Now drug syndicates have taken over famous Zeedijk and the city authorities have drafted in extra police.

Ordinary families have fled the city for the green and pleasant satellite town up to heen taken by young people. many of them students, keen to enjoy the bright lights.

The old people have also stayed, placing heavy demands on the city's social services.

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Burgomaster Polak: population changes

many of the cafés on the Amsterdam has also become home to an increasing number of gastarbeiders from the Mediterranean countries and to many of the Surinamese who came to the Netherlands when their country became indepen-50 km away. As families have dent in 1975. One in seven of moved out, their places have Amsterdam's 710,000 inhabitants was born outside the Netherlands.

"There cán be few cities where the composition of the population has changed so radically," says Mr Wim Polak, burgomaster for the past four years, "Amsterdam may be the merchants' houses make it the international terms. Its

generation of immigrants. A half to three-quarters of the pupils in some schools come from minority groups."

Amsterdam has the reputation of being a free republic within the kingdom of the Netherlands, where anything goes. This image owes much to the fact that, in spite of Amsterdam's being the capital, the serious business of government takes place in The Hague, while Rotterdam is the trading and industrial motor of the economy. "Amsterdam," the saying goes, "is full of people enjoying themselves. The Hague is full of people thinking up ways of stopping them, while Rotterdam is too busy working to notice."

This picture is not entirely true to life. Amsterdam is the financial centre of the Netherlands and the home of some 40 foreign and all the large domestic banks. It is also a major congress centre with an important, if declining, harbour and the country's international airport of Schiphol on its

But it is the city's theatres, concert hall, opera, cafes and clubs which determine its image. Amsterdam has two universities. The Hague none. Its rings of canels lined with handsome capital but it is not a large city fourth most popular tourist ability to absorb newcomers is London, Paris and Rome,

Tourism could be one of the first business sectors to suffer from the problems Amsterdam now faces. The Japanese Foreign Ministry earlier this year warned businessmen of the dangers of Amsterdam. "Crime is a big problem," says Mr Polak, "the addict needs money and turns to mugging and shoplifting. No one has a solution to the drugs problem, though we are trying to disperse the main concentrations of the The squatters' movement has

also become increasingly violent. Clashes with the police occur almost monthly. These are frequently followed by protest marches through the city The morale of the city's overworked police force has suffered. Senior policemen say it is diffcult to find new recruits and even more difficult to keep them

for more than a year or so.

Amsterdam policemen protested

last month against the difficul-

ties under which they work, and

demanded a large pay rise. bear the burden of the failure of the politicians to solve com- 10 per cent of the population is plex social problems. Amster- unemployed—a figure as high dam's Left-wing council is popularly believed to have been ment blackspots in the pro-overwhelmed by the difficulties vinces. The decline of the port it faces. The success of Rotter and of the shipbuilding dam's, also Left-wing council industry, and the closure last. provides a sharp contrast to the month of Ford's truck assembly hesitant approach in the capi- plant, have lengthened the dole

Internal divisions within the Left-wing parties in Amsterdam, particularly in the dominant Labour Party, paralyse decision-making according to one senior Rotterdam official. Mr Polak's however, denies this. "The quality of this city's managers is good," he says. But even he admits that the council has more than its fair share of what he calls "the fifth estate"— academics and social workers and not enough practical busi-nessmen or skilled working Relations have long been

strained between the city council and the business community. Businessmen claim that the policy of supporting public transport at the expense of the private car drives away customers and makes staff hard to come by. Tram-only lanes have reduced the road space available to the motorist, while the city's refusal to allow building of car parks makes parking a nightmare.

The inaccessibility of the city

centre and the depressed state emanded a large pay rise.

of the Dutch economy have led to a loss of 5,000 jobs a year ear the burden of the failure over the past decade. Around as in the traditional unemploy-



Two aspects of Amsterdam: tourist hoats on tranquil canals (above) and water cannon o violent streets (top) as police clash with housing protesters





Indonesian development spending up by 35%

INDONESIA HAS unveiled what is likely to be regarded by the man in the street as a fairly unpopular draft budget. Economists, however, have praised it as a brave attempt to limit personal consumption while maintaining the country's high level of economic growth during a worldwide recession.

President Suharto's budget plan projects a 12 per cent increase in Government revenue to \$21.5bn from \$19.2bn in 1981-82. This increase, plus a ? per cent cut in current expenditure will be poured into the development budget, which was increased by 35 per cent to \$13.5bn from \$10bn in 1981-82. For the first time in four years, outlays on development will be greater than current expenditure, which is forecast at \$10.9bn in 1982-83, down from \$7.7bn in the current fiscal

This should enable the Government to maintain economic growth at the current level of around 7 per cent at a time when the Indonesian economy is under pressure from failing demand for commodity exports and stagnant oil.prices.

To finance the development spending, President Suharto has decided to cut food and fuel subsidies by 40 per cent and to impose a salary cut in real terms on 2m civil servants.

He called on the nation to tighten its belt: "To delay development would only prolong the sufferings of a difficult and demanding life . . . therefore let us be willing to make sacrifices,"

Coming four months before an election the cuts were thought by some to be courageous and by ethers, foolhardy:

The budget was undoubtedly a victory for the largely Western - trained technocrats Along with the World Bank and other Western economists they had advised the President that the soaring subsidies on domestic fuel were encouraging wasteful use of the country's most precious natural resource. The President made it clear

that when the country was facing a projected balance of payments deficit of \$1bn in 1981-82 and a slightly larger deficit in 1982-3, it could not afford a fuel subsidy bili of over \$3bn. Savings in this area of around \$1.7bn would account for around half the total increase in the development budget.

Tension mounts in Assam:

By K. K. Sharma in New Delhi TENSION MOUNTED in the oil-producing state of Assam in north-east India yesterday when nearly 400 people were arrested for defying a ban on meetings and a number of shops and businesses remained closed. The protest was organised by student leaders who have revived the agitation on the "foreigners issue" which para-ysed economic activity in Assam for nearly a year from mid 1979.

There are fears that the movement will spread to Assam's oilfields and refineries as well as its lucrative tea gardens. This would seriously impair the Indian economy which is just recovering from the drought and the Assam distur-bances of 1979.

Students in Assam want all foreigners—mostly migrants from Bangladesh and the Indian state of West Bengal expelled from the state on the grounds that the local people are losing job opportunities and their cultural identity is

threatened. The students started demonstrating about two months ago when talks with the Government down. They have threatened to escalte the agi-

The International Finance Corporation (IFC), the World Bank affiliate, has offered aid for the Indian oil industry. This is needed urgently now that the World Bank's soft loan affiliate. the International Development Association, is short of funds because of a cut in contributions by the U.S. and other donors.

The IFC's offer was made by plays none of the fecklessness Mr Hans Wuttke, its executive in financial management which vice-president, at a meeting is so common in Africa.
with Mr P. C. Sethi, India's
Petroleum Minister. The offer notice a great shortage of was mainly for exploration, although no details were discussed. The Indian Government is expected to make formal applications for particular pro-

Land reform troubles hungry Ethiopia

By James Buxton, recently in Addis Ababa

THE GREAT justification of the Ethiopian revolution was the terrible backwardness and poverty in which all but a small, mainly urban, minority of its 3im people were living. One of its first acts was a drastic reform of land tenure to abolish landlords, regarded as the villains of the old regime.

Now, seven years after the revolution began, the rural population is better off than before, while the urban population has become relatively poorer. But the country remains among the world's six poorest and its development prospects are uncertain.

The bright spot is the vigorous attempt the Govern-ment is making at development on a communal, self-help basis. Less encouraging, however, is the shaky performance of the enlarged state sector and Ethiopia's problems in trying to attract the foreign aid it needs

for large scale development. Ethiopia is poor because of its fissured, mountainous geo-graphy and the late start it made on development. The country was only colonised for six years by Italy between 1936 and 1941. Modern development for most parts of the country was hardly possible before the 1950s. Most of the population still lives more than a day's journey from any kind of road.

Although land reform came in February 1975, the next few years were so turbulent, with power struggles and wars, that little could be accomplished until the autumn of 1978. But already Ethiopia was facing a big problem which still dogs it today.

The disappearance of the landlords meant that farmers no longer had to pay rent. That reduced their need to produce a surplus for market, which was compounded by the

Church officials accused

Ethiopian Foreign Minister Feleke Gedle-Giorgis has accused Lutheran church officials of gun-running and smuggling ivory and has said that an Ethiopian Evangelical church headquarters had produced anti-Government leaflets: Reuter reports from Addis Ababa. Evangelical church members in the province of Wollega had been arrested for involvement in illegal underground organisa-tions, the Minister said.

new state marketing concerns were offering. Many farmers grow as much as before, but eat more of it themselves.

The marketing corporations now offer a slightly better, but still uniform, price. But the towns are still often short of food, the country has a ne food deficit, and the average Ethiopian lives below famine ration level, according to the World Food Programme

The Government has tried to make farmers produce more by giving them more advice and better inputs, rather than change the system. It is also trying to make the peasants associations, set up after land reform, become farming co-operatives. Relatively fev have done so, however, and the authorities are meeting resistance in many areas. The peasant, enjoying his land for the first time, does not want to lose his independence again.

Government planners admit that Ethiopia needs more than self-help and cash solutions. It requires a large scale develop ment programme to expand the transport system, create new industries and large scale agriculture for export.

All this needs foreign ex-change. Ethiopia's main foreign exchange earner coffee brought in only \$280m (£145m) in 1980, equivalent to about a third of imports. Ethiopia re ceives relatively little foreign aid—only the equivalent of about \$5 (£2.59) per head, compared with an average of \$17 for all the least developed countries. The West disburses

about \$70m a yer to Ethiopia,
There has aways been a
limit to how much aid Ethiopia can absorb, while many aid schemes lapsed during the revolution because of general (awlessness. Yet its investment plan for the next 10 years calls for the spending of \$13.2bn, of which \$8.2bn will have to be

met from aid. Every potential aid donor will be impressed by the commitment regime's development, by the efficiency of certain parts of the Ethiopian state sector—Ethiopian Airlines is one of the best-run airlines outside Europe and North America—and by the Government's financial prodence. It runs a surplus on its current budget, has a low debt service ratio (leaving aside its unmeasured but vast commitment to the Soviet Union for arms) and adequate reserves. It dis-

skilled manpower and theffective use of much available talent, thanks to the nationalisation of businesses and the fact that some technocrais are still

Pretoria to charge mercenaries

BY BERNARD SIMON IN JOHANNESBURG

THE SOUTH AFRICAN authorities have unexpectedly Cuban killed reversed an earlier decision not to prosecute 40 of the 45 mercenaries involved in a coup attempt on the Indian Ocean island of Seychelles last November who hijacked an Indian airliner to Durban.

The men are to face four charges under the Civil Aviation Offences Act, South Africa's strict anti-hijacking law, the Attorney-General of Natal, Mr Cecil Rees, said yesterday. The law carries a minimum prison sentence of five years.

In the Seychelles yesterday,

South African security forces have killed one Cuban and captured another on the border between Namibia and Angola, spokesman announced yesterday, AP reports from Pretoria. The incident occurred during a firefight, he said.

prosecution asked that the seven, including a Briton and a South African woman, be held on the "serious charges" seven foreigners arrested for of importing arms and ammunialleged involvement in the abortion. The charges carry a tive coup appeared in court. The maximum sentence of 20 years'

imprisonment. The seven were the coup attempt remanded in custody for two

The decision to prosecute the Durban on the Air India Boeing

spread calls for the suspension of South African Airways'

mercenaries in South Africa is Minister of Police, Mr Louis le understood to have been taken Grange, said that the at the highest Government mercenaries "only shot out level. It appears to be a direct some windows and ran around result of angry criticism both the bush." More recently howin South Africa and abroad ever, Ministers and senior against the release of the men policemen have hinted that the days after their arrival in men might be brought to court. courts in Durban, Pretoria,

Pretoria's lenient treatment of the hijackers prompted wide- yesterday. They will appear to- released on bail last month foreign landing rights and their trial will be set. colleagues were initially fuelled suspicions of official Mr Rees said that hijacking charged with kidnapping, which

Government spokesmen at

first shrugged off the critics. In a memorable comment, the

January 18 when a date for Colonal



Cal Hoare

Most of the men appeared in against the five mercenaries including the group's leader, Johannesburg and Cape Town Colonel Mike Hoare, who were gether in a Durban court on after a brief court appearance. Hoare and South African involvement in charges would also be brought carries no minimum sentence.

Tripoli, was damaged by an explosion, apparently caused hy a homb. Syrian troops of the Arab Deterrent Force may take

Lebanese

pumping.

charge of protecting the pipeline against furture sabotage Press reports said here. Syria has an interest in the continned export of Iraqi oil from the Mediterranean because part of the crude is pumped from northern Iraq to the Syrian port of Banias.

Tripoli oil

repairs start

WORK is underway to repair

the damaged pipeline carry-

in Iraqi crude oil to the

coast but the Government is

still uncertain about whether

Baghdad was ready to resume

last Sunday after the pipeline.

extending from the Syrian

border to the terminal in

Pumping was discontinued

Mediterranean

By Ihsan Hijazi In Beirut

pipeline

Army chiefs protest

Bangladesh Army Chief of Staff Lt Gen H. M. Ershad has said that the National Security Council formed by the Government last week "is not acceptable to us as it will not meet our demands and aspirations," AP reports from Dacea. The armed forces chiefs object to the inclusion on the committee of civil

Foreign investment in Ghana to be 're-examined'

industrialists.

BY QUENTIN PEEL, AFRICA EDITOR

Ghana are to be "re-examined" military coup, Flight Lieutenant Jerry Rawlings, the coup leader, announced yesterday,

Life in the capital, Accra is returning to normal, with banks reopening yesterday after the accounts of more than 200 politicians and officials in the deposed government of Dr Hilla Limann had been frozen.

FOREIGN INVESTMENTS in of the events surrounding the coup started to emerge from by the country's Provisional businessmen, diplomats and National Defence Council in the Ghanaians who have fled to wake of the New Year's Eve neighbouring Lome, Fit Lieut Ghana "with a view to main-Rawlings appeared to be successfully consolidating his position in he capital. Heads of diplomatic missions

in Accra were yesterday summoned to a meeting with the newly reinstated Chief of the Defence Staff, Brigadier Nunoo Mensah, and Brigadier Arnold Quainoo, the army Commander -although neither are believed As first eye-witness accounts to be members of the PNDC.

In a speech broadcast by the the "immediate task" of the winning active support from the radio-Fit Lieut Rawlings said new government. the PNDC would take a fresh look at foreign investment in taining the national sovereignty and interests" of the country. He said that instead of putting faith in foreign investment, Ghana should encourage its own

He also announced that evacuation and export of the cocoa and coffee crops, much of which has been stranded by the dislohas been stranded by the dislo-cation of the country's road net-the nearby Fifth Battalion, but

The disorganised and hap-

hazard nature of the coup has been emphasised by first eye-witness accounts. According to one report, it was started by a handful of disgruntled former members of the Recce Regiment. After unsuccessfully urging members of the regiment to join them, they shot dead the second in command, and seized two vehicles. They then

work for up to two years, was were equally unsuccessful in among the junior officers.

It was only when the men reached the air force base, and armounced that they were backed by Fit-Lt Rawlings, that they won some supporters,

there will be any counter-coup. Although senior officers in the armed forces are reported to be umbappy with the coup, it is believed there is considerable support for Flt-Lt Rawlings

everything from schools to hospitals from staff canteens

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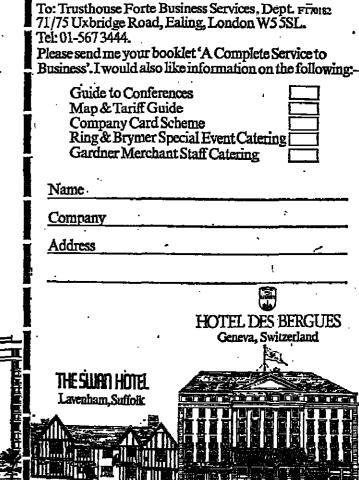
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Year of volatile interest rates forecast for U.S.

BY DAYID LASCELLES IN NEW YORK

votatile and rising U.S. interest rates becase of huge credit demands from Government and business. This was the warning issued yesterday by Dr Henry Kaufman, the chief economist

at Salomon Brothers.
Dr. Kaufman's predictions. always the most widely watched on Wall Street, immediately had a depressing effect on the stock and bond markets even though they differed little from the consistently gloomy view he has

taken for some time.

But unlike previous years when he confidently predicted, usually correctly, that interest rates would set new records. Dr Kaufman forecast yesterday only that long-term interest rates in the bond market would "threaten" the highs they set last year. He doubted that the prime rate would exceed the 211 per cent peak it reached a

year ago. The main points to his fore-• The U.S. budget deficit will

rise to a record \$90bn, forcing the Treasury to raise unprecedented amounts of money on the credit markets. corporate

demands will also be strong because business will not be able to generate enough capital internally to meet its needs, which will be unusually high.

The economic recovery will be modest because of high infla-



Dr Kaufman: depressing effect on the markets.

tion and interest rates, and poor liquidity in key sectors of the Dr Kaufman sees nominal Gross National Product rising 8.5-9 per cent and real GNP only 1 per cent Inflation measured by the GNP deflator will rise 8-8.5 per cent, down a point or two from this year. But Dr Kaufman said this drop might only be temporary, with the trend rising in the second half of the year.

will grow by \$50bn to \$468.4bn, and much of the increase will be financed by direct household investment, mainly through the

money market funds. Dr Kaufman stressed that while the prime rate and the Fed funds rate get all the publicity, the key to the financial outlook is the long term bond rate because this determines whether borrowers can raise long-term finance and officed the vast amount of short term debt they have accumulated in recent years and rehabilitate their balance sheets. But he doubted whether they would be

able to do so, in 1982 at least. Dr Kaufman said much would depend on whether the Federal Reserve returned to the strict monetarist approach which, he thinks, it has eased in recent months to help the economy. If it does, the targets set for money supply growth will not leave much room for economic expansion.

Dr Kaufman's forecasts are based on a detailed analysis of the likely flow of funds between lenders and borrowers in the U.S. capital markets, rather than any economic doctrine. But he said yesterday that the position-had deteriorated since his computer was primed a month Administration's mounting budget problems, the document probably understates the difficul-• Total net demand for credit ties facing the credit markets.

Court blow to fundamentalists

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

THE GROWING dide of Rightwing fundamentalism in the U.S. was stemmed, at least temporanily, yesterdy by a federal judge in Lattle Rock,

Judge William Overton ruled that the state's "creation science" law, pushed through by religious fundamentalists last summer, violated the provision in the U.S. Constitution banning religious teaching in schools in the public education

The Arkansas law required science teachers to give "equal balance" to Darwinian theories of evolution and the creationist view that life, and the earth. were created as lattle as 6,000

through similar laws at state level throughout the nation. If the Little Rock ruling is upheld on appeal, the creationists are thought likely to chauge their tactics and concentrate on

getting the teaching of their theories approved by local school boards, rather than through state legislation. After a nine-day count ose last month, widely regarded here as an historic confrontation between science and religion, Judge Overton ruled that creationism was not a science. as its advocates had maintained, but merely the Book of Genesis

The trial drew frequent comyears ago. The fundamentalists parisons with the famous Scopes have been seeking to push case of 1925, in which a biology

teacher was convicted under a Tennessee state law forbiding the teaching of Darwin's theory of evolution.

The Arkansas law was pushed through by a junior state Senator with no more than 15 minutes' debate. Governor Frank White signed it into law without even reading it.

The fundamentalists at the trial suffered frequent ridicule at the hands of lawyers for the American Civil Liberties Union, which challenged the law. The creationists' star theological witness was forced to admit to a belief that unidentified flying objects were manifestations of Satan, and two others said it could be a god idea to teach that the earth was flat.

Drop in appliance sales leaves thousands jobless

in disguise.

in sales of home appliances has high interest rates, which also thrown thousands of Americans caused retailers to cut invenout of work in recent weeks tories. Manufacturers reduced as the industry suffers from the production as their stocks impact of the recession.

Analysis said yesterday that as a result. the immediate outlook was gloomy for makers of washing laid off 1,700 workers indefimachines, refrigerators, and other large appliances.

Their sales suddenly dropped in October after three quarters redundant and 4.900 Whirlpool of unusually strong business, employees lost their jobs. High interest rates and a moribund housing construction industry are blamed

NEW YORK - A sudden drop chases on credit because of the swelled. Workers were laid off

General Electric said it had nitely and sent home 10,000 more for the whole of December. Maytag made 350 workers Other companies has also laid

off, staff and extended the Christmas holiday closure Consumers postponed pur-Reuter

Explosions rock San Salvador

person was injured. Two explosions wrecked a state-run low-cost hosning credit blamed on bombs set by leftagency and a Volkswagen agency wing guerrillas, who have been 30 yards from the U.S. embassy. fighting the oGvernment for the No damage was caused to the building. Police quickly surrounded the building. have been killed in the fighting, A third explosion damaged a so far,

SAN SALVADOR, - A dozen ing the suburban residential explosions rocked San Salvador's town of Santa Tecla into darkcapital and surrounding com- ness. A supermarket in a munities on Monday night, shopping centre near San destroying a supermarket, the Salvador's Camino Real Hotel. home of two Supreme Court where most foreign journalists justices and other buildings, stay, was wrecked by another of According of the police only one the blasts and a man was seriously injured.

the explosions were past 27 months. More than 35,000 people haer thought to

Tass points finger at 'scandals'

resignation of Mr Richard Allen as President Reagan's National Security Adviser was a sign of corrup-tion and discord in the Administration, the Soviet news agency, Tass, said yes-terday, AP reports from Moscow.

The commentary also noted published reports of differences between Mr Allen and Mr Alexander Haig, th cU.S. Secretary of State,

Petrol use declines

The U.S. Energy Department estimates that petroleum consumption will fall by 0.7 per cent in 1982 after a 4.3 per cent decline in 1981, Reuter reports from Washington. In its short term energy outlook. the department says that heating oil supplies should be adequate during the current

Canadian bankruptcies There were 49 per cent more busineses bankruptcies in Canada in November than in the corresponding month last year, the Federal Office of Bankruptcy reported yesterday, Victor Mackle report

Japan sets deadline for Bandar

Khomeini

By Charles Smith, Far East Editor, in Tokyo

Japan's Mitsui-group has set January 8 as the deadline for Iran to declare its intention to shoulder the additional costs of the ill-starred Bandar petrochemical Khomeini

If Iran fails to reply, or replies unsatisfactorily, Mitsui is expected to go ahead with plans for a complete withdrawal from the project. The Mitsui group has been

demanding since last summer that the basic contract under which Japan and Iran shoulder equal portions of the cost be re-written in view of delays and damage caused

by the Iran-Iraq war.
The Bandar Khomeini pro-ject, conceived as 50-50 joint venture between Iran and Japan, was originally expected to cost around \$500m (£263m) and was to have used associated gas from the oilfields of southern Iran as the feedstock for a 300,000 tons per year ethylene cracker.

The cost of the project had been revised upwards to \$3bn on the eve of the Iran-Iraq war but it is now impossible to estimate following extensive damage to the 85 per cent-complete complex by Iraqi bombing. This is the main reason why Mitsui has been refusing, since last April, to spend any more money on Bandar Khomeini.

Talks held in November between Mitsui group executives and a delegation headed by the chairman of the Iran National Petrochemical Company failed to produce a formula for a resumption of work.

Iran offered But shoulder additional costs of the project in return for an estimate by the Japanese side of the probable amounts involved.

Mitsul says it cannot pro-vide any such estimate while war continues and is, therefore, demanding an un-conditional promise by Iran to pay all future costs.

Joint venture for Chiyoda and Badger

Badger of the U.S. have received a letter of intent from New Zealand Relining on the award of a Y200hn (£473m) refinery contract, writes Our Far East Editor

The contract would be the first to be carried out jointly by Chiyoda and Badger. However, Chiyoda has experience of working with interpartners in other national markets. Last year it was awarded a Saudi Arabian refinery contract in association with Parsons of the U.S. and Technip of France.

INCREASE OF 10% FORECAST FOR THIS YEAR

Rise expected in U.S. coal exports

BY MARTEN DICKSON, ENERGY CORRESPONDENT

to rise by 10 per cent this year other countries. This compares compared with 1981, according with estimated exports of 85.5m to a forecast from the Washing- tonnes in 1981, of which 13.5m ton-based National Coal Asso tonnes went to Canada and ciation, the industry's umbrella 72m tonnes elsewhere,

analysts' expectations, comes despite a slackening in the growth of European coal demand because of the reces-

The NGA estimates that 1982 of which 16.2m tonnes will go pared to 36.9m tonnes last year.

U.S. COAL exports are expected to Canada and 78.3m tonnes to

Metallurgical coal, used by The estimate, which is the steel industry, will account broadly in line with private U.S. for 52 2m tonnes of the total, with 6.3m tonnes of that going to Canada. This compares with

exports of 48.6m tonnes in 1981. Steam coal, used to generate heat in power stations and industrial boilers, will make up exports will total 94.5m tonnes, 42.3m tonnes of the total, com-

to Canada. International trade in steam

coal is poised for a major expansion over the next 20years as industry switches from oil firing. Growth is slower than was being forecast a year ago, but U.S. steam coal exports (excluding Canada) have risen from virtually nil in 1978 to 2.25m tonnes in 1979, 14.4m. tonnes in 1980 and nearly 28m

tonnes last year. The recent growth has been for supplies from Poland, where

Some 10m tonnes of this will go political upheavals have production.

The NCA estimates that US. domestic coal consumption in 1982 will reach a record 695m tonnes, a rise of 4.6 per cent on last year. The growth rate will be slightly lower than in 1981 because of a slower rise. in demand for electricity and the general state of the U.S. economy.

U.S. cost production, depres sed by a 72-day miners' strike; due in part to a substitution of last year, will rise by 10 per U.S. coal by European buyers cent to 797m tonnes in 1982

Bleak years ahead, shipbuilders are told

BY ANDREW FISHER, SHIPPING CORRESPONDENT

THE U.S. shipbuilding industry faces a few bleak years as more yards become idle and thousands of skilled workers lose their jobs, Mr Edwin Hood, president of the Shipbuilders'

Council of America, said. In a gloomy New Year message, he said the industry had already started to run down. A turn-around before 1984-85, if then, is highly improbable."

The U.S. industry's merchant order book was rapidly dwindling, with contracts for only seven new buildings of 1,000 gross tons or more placed in 1980 and eight in 1981. Over

U.S. yards.

" After the end of 1982, only eight vessels will remain to be delivered," he added. Latest figures from Lloyd's Register of Shipping show a total U.S. order book of L4m gross tons at end-September, less than Japan, South Korea, Spain, Poland or

Subsidised U.S. shipowners could now build ships abroad and still obtain substantial operating subsidies from the

public treasury, he said. The adverse effects of this

denied, he added Nor would moves to expand the U.S. Navy come early enough to reverse the decline in yard capacity.

Only ship conversions and repairs—now spotty—hold the potential of relatively stable near-term markets for U.S. shipyards."

He said that yards were pessimistic about the immediate outlook, though optimism that a "constructive national strategy" may soon be set in motion was fortified by over \$2bn of capital improvements

90,000 workers are employed in on the industry could not be in the last 10 years, with \$500

A few weeks ago, the Av-dale yard in Louisiana launch the President Lincoln, e largest container ship to be in in the U.S. This is part on \$270m contract for three vess with American President Lis.

Nearly half of the total # of construction will be coved by Government subsidies. 'e vessels are intended for e between the U.S. West Coast d Asia, with final delity scheduled for between May it

Swaziland to build rail link

BY BERNARD SIMON IN JOHANNESBURG

SWAZILAND is to increase its in 1984. economic dependence on South ments have not been finalised, Africa by building a rail link but the South African Governthat will run through its terri-ment is understood to be tory into the eastern Transvaal and to the port of Richards Bay, north of Durban.

South African town of Komatipoort to Mpaka in eastern Swaziland, will complete a rail route from the Transvaal to the Natal coast 250 km shorter than the existing route through South Africa

According to a senior official also be shipped by rail via of Swaziland Railways, the line will cost R50m-R60m (£27m-According to Swaziland Railways).

willing to contribute part of the cost The main beneficiaries of the

The 115 km line, from the line will be South African exporters of phosphoric acid and phosphate rock produced at Phalaborwa in the north-east Transvaal, and timber growers. Coal from a mine to be built in the Kangwane tribal homeland close to the Swazi border will

Financing arrange should eliminate the railways' operating deficit and help it repay loans for construction of the southern part of the Richards Bay route, completed several years ago. "The profitability of the route will depend on South African traffic," an official said.

The line will also serve Swaziland's coal mining industry. A Shell Oil subsidiary has shown interest in exploiting coal deposits near Mhlume in northeast Swaziland. The new line will cross the Mhlume coalfield, giving a mine the choice of According to Swaziland Rail- exporting through Richards Bay

Beira-Umtali oil pipeline ready

Beira to the eastern Zimbabwe Maputo Governments. border city of Umtali is ready for operation after lying dormant for 15 years, according to

huzinessmen They say the 180-mile pipeline, crucial to Zimbabwe's unwilling to meet plans to end dependence on

bique's Indian Ocean port of rho, and the Salisbury and the former Rhodesia in 1965 Mozambique had initially

> equal to the cost of railing fuel from Beira, a levy Salisbury was The completion of the pipe-

asked for charges to Zimbabwe

ing a tripartite load tariff agree- inactivity following the imposi- Africa.

THE OIL pipeline from Mozam- ment betwene its owners. Lon- tion of trade sanctions against was recently delayed by guerrilla sabotage by the Mozam-(MNR) which Mozambique and Zimbabwe allege is organised and financed by South Africa.

Zimbabwe gets all of its diesel fuel, 30 per cent of its South African roads and rail- line's long-awaited rehabilita- petrol, and half of its aviation ways for fuel supplies, is await- tion after years of enforced fuel from or through South

Solvay to alter supply agreements

By Giles Merritt in Brussels

SOLVAY, the Belgian checals concern and the work top producer of soda ash, b agreed to European Comm-sion demands that it shou alter its supply agreements wit EEC glass manufacturers. It of the UK, the second large producer in Europe, is also t change its supply policies.

The Brussels Commission's pressure on the two major soda ash producers stems from concern that their exclusive, longterm supply contracts with certain glass manufacturers were in breach of the competition rules of the Treaty of Rome.

The Commission's action also reflects complaints from the glass industry that the exclusive soda ash contracts tied manufacturers to a sole source of supply, and prevented them from obtaining additional supwere needed to boost output and fulfil orders.

Solvav has undertaken to abolish its system of exclusive contracts, and ICI has agreed in principle to accommodate the Commission's view by changing its supply contracts.

Bangladesh: the battle begins to increase exports

BY KEVIN RAFFERTY, RECENTLY IN DACCA

BANGLADESH has embarked before the clampdown on all but on one of the biggest tasks of its ten-year existence with a proposal to increase exports by \$1bn (£526m) a year within the next five years.

"Otherwise," said Mr Jamaluddin Ahmed, deputy Prime Minister and Industries Minister, we cannot survive."

He proposes to boost exports through a mixture of large projects using natural resources and smaller schemes which will utilise Bangladesh's major resource—its abundant labour force, which is probably the cheapest in the world.

The scale of his proposal must be seen in the context of ports of leather goods reached the country's overall trade. which is scarcely \$3.5bn a year. The deficit has widened \$380m in 1972-73 to an originally uphill battle through stiff health projected \$2bn for this year regulations in developed coun- iron plant using Bangaldesh that things are on the move:

essential imports. During the eight years, exports have risen from \$347m to between the \$750m to \$800m expected this year.

port earnings, but it has been hit by world recession and by Bangladesh's production prob-Jute crops have fluctuated and fute goods have been dis-

turbed by industrial unrest and by poor management. Expansion of non-traditional items has been hit by recession and by marketing problems, Exa peak of \$76m in the 1979 fiscal year. Fish and shrimp

exports have had to fight an

tries and are expected to reach \$50m for 1981. Because of the dominant role of the struggling jute

industry, exports have fallen In spite of valiant efforts at the gap being bridged by aid include a pulp and p diversification, jute still flows, making Mr Jamaluddin's using jute cuttings. further behind imports, with there are some hopeful signs. The first is the plan to use the country's 9 trillion (million million) cu ft of natural gas

serves to support big industrial projects.
A 500,000-ton fertilser plant is just coming on stream and two others are to be built one with help from the Asian Development Bank and the

plants will cost about \$450m each.

In addition, a \$200m sponge

other in the private sector

lets from India and a \$250m methanol plant will also expand the range of Bangladesh exports. Mr Jamaluddin says that other projects could include a pulp and paper plant The big projects alone could

provide half the extra targeted exports. By the middle of the decade, Bangladesh should be producing 1m tons of urea for export, which at today's prices, would fetch \$250m. Mr Jameluddin estimated ennual export earnings from the sponge iron plant at \$150m and from the methanol plant at \$100m.

Hope is also being pinned on under a consortium including the free trade zone which is Norsk Hydro. The fertiliser being set up near Chattangong, Bangladesh's main port. The zone was first outlined in 1976. Mr Jamakuddin is optimistic

natural gas and iron ore pel- "100 plots of land are now ready for immediate allotment. The infrastructure is laid on, and there are two kinds of standard factories plus a central warehouse." In February, Bangladesh and

the UN Industrial Development Organisation will be hosts in Bangladesh to more than 200 companies and will explain to them the advantages of setting up in the country. Mr Jamakuddin's optimism is

tempered by the views of economists who are concerned at the low literacy rate—22 per cent - and highly positicised labour force.

The lack of natural resources, spart from gas, is a great handicap. It is spuiled by the fact that to produce stones for road foundations, workers have to bake bricks and then chop them up with handheld

Evan Luard argues that the International Monetary Fund should apply altered criteria for credits to Third World countries

IMF loan conditions: The case for income redistribution

there has been argument about conditionality "—the terms the Fund should demand in return for providing credit.

Traditionally the IMF acted on the basis that, if a country had a balance of payments problem, it must be its own fault. The government must have allowed the economy to overheat, inflation to develop and the price level to get out of line, so that exports became uncompetitive and imports were sucked in.

Thus the terms which the IMF demanded in return for a credit related to domestic international economy which fiscal and monetary policy. The Fund insisted that credit was squeezed, public spending cut, budgets balanced consumer increase in oil prices, world subsidies abolished and, if inflation, world recession, low necessary, the currency de-

that these prescriptions, affect-

of

school

countries

"structuralist"

than the real economy yet involving a heavy sacrifice of growth, were inappropriate to the problems facing many developing countries. In the past few years these

complaints have become more widespread and received some support in the West. In the which poor circumstances countries now face, the traditional analysis looks increasingly inadequate. In most cases, the balance of payments difficulties of developing countries today do not stem

from domestic causes at all. They arise from factors in the are totally outside their control. They have large deficits mainly because of factors like the increase in oil prices, world commodity prices, and high interest rates. Therefore howfor example the own financial policies may be they can still end up with huge economists in Latin-America, deficits which cannot be easily complained from the beginning or quickly overcome,

The IMF has adjusted its

ing the financial sector rather policies slightly in response to conditionality has surfaced this situation. In 1979-80 the fund agreed it would lend more to countries in difficulties, over longer periods, and above all on rather less rigorous conditions. This new policy has been reflected in recent credits such as those granted to Zaire, Jamaica and India in the last

few months. The Fund still calls for measures of "adjustment" as the price for a loan, but these are now adjustments of a more long-term character, including the development of alternative energy sources, new exports and import-saving industries.

Unfortunately, however, no sooner was the new IMF policy than the Reagan Administration was elected in the U.S. The Reagan Administration immediately began to question the policy. It demanded Many people in developing ever orthodox and austers their a return to the previous conditions for loans (the recent credit to India almost foundered on the rock of these objections).

So the old argument about

No sensible person believes that the IMF, any more than any other financial institution, is likely to lend without demanding any conditions. Not many people believe it should. The question is what kind of conditions is it relevant and sensible for the Fund to demand in current circumstances?

It is arguable that in the conditions facing many poor countries the old kind of conditionality may produce the opposite effect to that intended.

Policies of over-strict credit restraint, together with old-fashioned "liberalisation," of the kind recently adopted in Chile, Argentina, and Peru, may lead to an almost automatic deterioration in the balance of payments. Very high interest rates, which are an essential element of the policy, will lead, as they bave done in the UK and the U.S., to increased costs and continuing high inflation. They will cause real hardship both to local

industry, and above all to the being called for again by the ment in simpler industries local agricultural population U.S. are unlikely to bring related to domestic require. local agricultural population U.S. are unlikely to bring who are usually dependent on lasting improvements by themcredit to maintain their highihood.

sucking-in of imports, especially of luxury Western-style consumer goods for the wealthy classes - the wealthier classes are almost alone in being able to take advantage of the new policies. This flood of imports from abroad, together with the in favour of the less wealthy high cost of credit, causes classes. severe difficulties for local industry, so that bankruptcy and unemployment increase

therefore, be a prolonged depression of the domestic economy and much increased unemployment, without any improvement, and sometimes with a serious deterioration, in the balance of payments. This is countries including Argentina and Peru.

The effect of the policies may,

This suggests that the kinds policy the IMF used to

selves alone.

Policies against inflation are Liberalisation leads to a rapid bound to be demanded. But equally revelant, and particularly relevant when an antiinflationary policy is being pursued, is another condition, which the Fund has been too reluctant to call for is a demand for the redistribution of income

This would have two effects. First: It would reduce the propensity to import, especially to import expensive consumer goods. Consumer demand would be transferred towards the pur-Chase of food, so helping to raise producer prices and stimulate food production, and towards the purchase of simpler and cheaper consumer goods which exactly what has happened in local industry can provide and Chile, which therefore do not create a strain on the balance of payments.

Second: At the same time it. demand, and which are now would help stimulate invest-

ments and likely to come from domestic sources instead of stimulating external investment concerned mainly with the needs of external economies and requiring heavy repayment costs.

balance of payments imbalance would be more rapidly overcome. In addition the benefits of competition are more likely to be tested when markets are expanding than in severely depressed conditions which often lead to the destruction of much local industry. Certainly there should be far Philippines

more public discussion of the policies pursued by the IMF on such questions—and not only Thatland within the Fund itself. These policies can be a matter of profound importance to many The SDR (Special Drawing Right) developing countries, an importance which will increase as the IMF's role continues to grow.

Evan Luard is a former Labour MP for Oxford now. working for Oxfam.

Major IMF Trine Fund Ioun disbursements between July 1976 and March 1981 Total (millions of

This would mean that the Member Country SDRs* 310 151 131

> is the MPs international reserve asset based on a basket of currencies; one SDR is currently worth \$1.17. Source: IMF annual report 1981

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What happens to your overseas contract if the money runs out?

In many overseas markets public and private capital expenditure is being cut back.

And where the axe falls on a project such as a highway or an airport, it could easily mean financial hardship for several companies along the line. Including some of our exporters.

This 'domino effect' may not yet have made your own exports any less profitable. But it is one more way in which exporting is becoming more of a risky business, where no-one can take payment for granted.

Today, the Export Credits Guarantee Department is paying out more and more on bad debts, not only from politically shaky countries, but from traditionally stable ones as well.

Recently a British engineering firm supplied construction equipment to a customer in the Middle East. But the customer fell victim to circumstance since the orders for the plant he had received were suddenly cancelled. This meant that he in turn had to let down his own suppliers when payment fell due.

Fortunately, the British firm had covered itself with ECGD, and was reimbursed to the tune of 90% of its losses.

ECGD offers a full credit insurance service which covers you for non-payment on exports of goods or services, worldwide — no matter whether it's the customer or the country that fails.

But this is by no means the Department's only service to exporters.

For example, ECGD can also open up sources of cheap export finance, by giving cover direct to a financing bank.

If you're exporting anywhere in the world, however safe it may seem, you should at least find out what ECGD at has to offer.

Call Joan Swailes on 01-606 6699, or contact one of our regional offices in Glasgow, Manchester, Belfast, Birmingham, Leeds, Cambridge, Bristol, Croydon or City of London.

Because if the worst ever comes to the worst, why should you end up paying for your own exports?



BL car output 'will increase by 14%'

BYKENNETH GOODING IN BIARRITZ

BL'S OUTPUT of cars and carderived vans this year will go up at least 14 per cent from 394,000 in 1981 to between 450,000 and 500,000, according to Mr Ray Horrocks, chairman of BL Cars.

The last year in which the group produced 500,000 cars was of the LM10, the medium-size 1978. In 1981 there was a 9 per cent rise in production from

Mr Horrocks said this performance reflected BL's huge capital investment programmerunning at £350m a year—and successful products such as the Metro and Triumph Acclaim. Car production at Longbridge

the Midlands, where the Metro and Mini are produced. rose from 123,000 in 1980 to. 235,000 last year. BL expects

performance this year. 150,000 this year.

Cowley produces the Triumph Acclaim and by the last quarter will also be building up output car which is part of a range BL says is even more important to its future than the Metro.

Mr Horrocks, speaking at the preview of a BL car which will be launched soon, said the company was the only UK-based car maker to have increased its market share and unit sales last "The facts and figures vear. "The facts and figures show BL has started to turn the corner," he said.

Productivity at the Longbridge and Cowley plants had its other volume car plant at risen one third in the past year Cowley, Oxford, to repeat that and was in line with the best in

in the production of the Acclaim, admitted that the quality of the British-built cars was better than that for similar 84,000 last year. vehicles coming off production lines in Japan.

Mr Horrocks said car production this year depended on whether the total UK market reached the 1.5m sales forecast and on whether the pound contiqued to weaken against Continental currencies. If the pound went down slowly the company would be nearer 450,000 than 500,000.

BL hopes for a UK market share of about 21 per cent this year, up from 19.2 per cent. But its dealers reckon 23.8 per cent is an achievable target.

errormance one year.

It forecasts that output at the cars had improved to the the introduction of the Acclaim the year-end as output of the Cowley will rise from about extent that Honda, BL's partner to Continental markets this 100,000 vehicles to more than in the production of the year, BL expects sales on the 90,000 compared with about Berks, which BL closed some

The Metro ended the year in the UK with the benefit of a special "bonus deal" to dealers, which resulted in it taking 10 per cent of the available market in December.

The Mini is also doing well and output will be increased from 1,000 to 1,200 a week. BL will start selling the Mini in Japan in April but in small

comparable Japanese cars. an achievable target. meant 150 more people were Jaguars as well as car-derived With the benefit of a full needed at Cowley. About 800 vans.

Europe, he claimed. Quality of year's sales of the Metro and more jobs would be created at LM10 rose. Preference would be given to previous employees of the MG plant at Abingdon. months ago.

Richardson

sent report

on Royal

Bank of

Scotland

Banking Correspondent

Richardson.

The Government has sent a

copy of the Monopolies and

Mergers Commission (MMC)

report on the rival bids for

the Royal Bank of Scotland

Group to the Governor of the

Bank of England, Sir Gordon

The Bank of England is one

of several official bodies which

now has a copy of the report's

findings but it is more interested than most in the

MMC's conclusions since these

are expected to cover sensi-

tive issues such as the Bank's

role in controlling takeovers

in the banking system.

The Bank of England has

supported Standard Chartered

Bank in its agreed bid for

the Royal Bank of Scotland.

However, HongKong and

Shanghai Bank also wants to

bid although it does not have the support of the Royal Bank

board and, as a result, is in

conflict with the Bank's guide-

lines on banking takeovers

which requires them to be

made with the agreement of

both sides.
The MMC's report is

expected to cover the issue

of the legitimacy of the Bank's 1972 takeover guide-

lines. It has been argued that in the current era of com-

petition such restrictions should be abolished since

they prevent banks being

taken over if the management opposes this. Other companies have no such

Three companies in

energy-saving venture

THREE British companies

involved in industrial energy

have formed a joint venture

to market energy-saving ser-vices to industrialists world-

The companies — Greens Economisers of Wakefield, Peter Brotherhood of Peter-borough, and White Young

Project Engineering of Run-

corn-will concentrate on

waste heat recovery systems.

The consortium, operating under the hanner Unipower,

will undertake the type of

work heing encouraged by Energy Department ministers

used to power a 25-foot motor

cruiser in Cambridgeshire, Mr

Ian Kerr, a company dirictor,

who operates the boat from

Littleport, near Ely, says he

is thinking of extending the idea to the 120 other luxury

cruisers his Derby-based com-

pany hires to holidaymakers.

The project is supervised by the Perkins diesel engine

company at Peterborough. It

warned other hoat owners not

to experiment with sunflower

and officials.

Cruiser runs on

sunflower oil

wide.

The £250m LM10 programme is on schedule and pilot production is due to begin in nine

Mr Horrocks said there would not be a vacuum in BL's product launches before the new medium cars arrived. For example, in the early part of 1982 BL would introduce a revamped Rover numbers because the price of range, the Ambassador - the the heavily modified vehicle will replacement for the Princess. be two to three times that for more Metro derivatives and there would be significant The success of the Acclaim changes to the Mini and the

Car company hopes its £3,000 Kingfisher model can net success

BY JOHN GRIFFITHS BRITAIN'S NEWEST-and smallest-car maker bas gone into production in Rothbury, Northumberland.

The venture, attracting county council financial sup-port, is in the tradition of salaried employee staking all to become entrepreneur. Kingfisher car company has

advance orders for 20 cars, initially to be built at the rate of two a month, in a 2,500 sq ft factory let rent-free for two years by English Industrial Estates.

Mr Roger King, its founder, 34-year-old former schoolteacher, has reserved a further 5,500 sq ft nearby to prepare The first car came off the line this week—a 1330 cc turbocharged glass fibre bodied coupe based on Mini mechanical components. It is claimed to cruise at 100 mph and return up to 40 miles per Convertible, sports and family estate versions are

to follow. Prices for a fully-finished vehicle start at £3,000, sur-prising figure until the production approach is explained: the cars are being built with re-manufactured BL com-

ponents. They are classified by law as not new, and escape crash testing and the 10 per cent car (ax. A consequential quirk is that they will be the first "new" cars to be delivered from a manufacturer complete with MoT certificate.

None of this has dissuaded Northumherland's industrial development officials from backing the project. Mr Robin Birley, county council chairman said it was a major landmark for the county's scheme to help small husinesses.

Mr King and three others, including former Cosworth racing engine builder Mr Jim Deakin, have put together £50.000 for the venturemuch of it from the sale of Mr King's former home Some \$2,000 is in the form of a direct grant from the county, which is helping Kingfisher seek further grants for expansion through regional aid schemes. Mean-while, some of the team. including Mr King, have been provided with "key worker" council homes while they attempt to get the project off

the ground. Mr King says the re-manufacturing of original com-ponents is not a drawback. Cars are being delivered with a 12-month unlimited mileage

He admits that Kingfisher could he seen as only the latest in a long string of specialist builders which have

"But we have set this up by learning from their mis-takes." He has vowed to avoid the principal pitfalls for many past ventures, of heing tempted into exotic GT car projects while "bread and butter" vehicles have yet to establish cash flow, forays into motor sport and trying to expand production too

"We shall concentrate on the cars we have announced and those only. Even an output of a car a week is about two years away; we are going to be happy to follow the Morgan route, where there can be a waiting list of three years or more.

Ex-Ladbroke man for **Trident casino board**

BY DUNCAN CAMPBELL-SMITH

MR WARD THOMAS, chairman of Trident Television, has appointed Mr Gerald Kushler, a former Ladbroke Group casino manager, to the board of the new subsidiary that will run the casino interests Trident acquired from Playboy.

The deal was approved by Trident shareholders yesterday, with only two dissenters. Mr Kushler left Ladbroke in 1978 and more receptly has been

working in Alicante, Spain, Ladbroke was deprived by the the floor in response to the courts of licences to operate its resolution, proposed by Sir four London casinos in Decem- James Hanson, a Trident direcber 1979 and May 1980. gaming directors, albeit at sub- and the deal will be completed ary level, is expected to be on Fri

one of the factors influencing Trident's fight to retain licences for the former Playboy clubs. It begins an appeal on January 25

board are Mr Peter Neivens, the deal. former deputy assistant com-missioner at New Scotland Yard, Mr Thomas and two directors

cant" amount of the near £2m

Penlee Lifeboat Disaster Fund

will be distributed to the

widows and dependants of the

drowned men, it was agreed

After a meeting between fund trustees and Sir Michael

Havers, Attorney General, Mr

John Moore, chief executive of

the Penwith district council, said it had been agreed that the

fund was a private trust, not a

to question this decision and

advised that we can safely pro-

ceed on this basis," he said. Mr Moore said capital trans-

fer tax might have to be paid

on some single donations of

more than £3.000 but that these

were few. The tax would be

Yesterday's decision clears

very insignificant."

Sir Michael saw no reason

yesterday.

charitable trust.

Mr Thomas confirmed yestermore gaming director and a number of non-executive directors. There is speculation these could include Mr Jack Gill the former Associated Communications Corporation director

Mr Ward's comments followed an extraordinary general meet-ing to consider the company's purchase for £14.6m of Playboy's UK organisation.

No questions were put from tor, approving the purchase. It The presence of experienced was passed on a show of hands

Replying to questions about Trident's future, Mr Thomas defended the arrangements for Sir Gordon White and Mr. against the October decision of Charles Sweeney to together the licensing magistrates not to receive 5 per cent of the equity renew licences for the Playboy of Trident's casino subsidiary in consideration of their role as Also on the subsidiary's intermediaries to the Playboy

> "I have to say, it really wasn't open to us as an option simply to pay a finder's fee." Men and Matters, Page 12

The most important considera-

tion was to get money in

quickly. Understandably, this meant that complicated legal

and tax implications were not

As donations arrived organi-sers were uncertain whether to

register the fund as a charity

or whether to opt for non-

been to go for charitable status

In this case, however, there

ment of education; the advance-

much confusion surrounding ment of religion; and other pur- £25,000 to each widow.

The normal course might have

hecause of the tax advantages. lost a man.

tragedy.

fully appreciated

charitable status.

Cornwall police chief to quit

MR JOHN ALDERSON, Chief Constable of Devon and Cornwall Constabulary, announced his resignation from the force yesterday.

A ploneer in the controverfield of community policing, which now extends throughout his force, Mr Alderson, aged 53, will leave his £22,000 a year job in April.

He will then take up a fellowship, for the spring term, at Corpus Christie College and the Institute of Criminology at Cambridge University.

is known to sympathetic towards Liberal policies. But he has scotched speculation that he might become a Liberal politician. "I have no job in the offing. and I hope you will disregard

the speculation," he told members of his police authority yesterday. "I cannot put it more clearly than that. I would not like any motives to be imputed in my decision to retire."

a Penlee Fund was a spon- over the status of the encounter the same problems

poses beneficial to the com-

Religion and education are

not relevant but legal experts

believe that the interests of

eight bereaved families might

not have been great enough to qualify for "other purposes." That left "relief of poverty"

which many felt did not square

with handing out £1m to each

of the households which have

sponse to the disaster. One, the Local Fisherman's Fund,

has already distributed around

The story is further compli-

the fund's tax and legal position. Tim Dickson reports on

As in the past—notably after
Aberfan—the establishment of the agreement reached

taneous reaction to human fund raised for relatives.

were drawbacks. Charities are cated. There are, for insuance,

allowed to help people only in two other funds set up in re-the following ways: through the sponse to the disaster. One,

Decline in footwear trade may be over

BY ANTHONY MORETON, TEXTILE CORRESPONDENT

TENTATIVE SIGNS are emerg- -steadily last year, amounting to to an end.

There is a feeling in the industry that the enormous deended, and that stocks in the shops are about right for the level of potential demand. The outlook for 1982 is not nearly outlook for 1902 is so gloomy as a year ago. which have

Companies which managed to weather the recession are therefore well placed to meet strengthening demand. They are helped by a weakening of the pound against many extremely conscious. The upward shift in Continental currencies has led buyers to look increasingly to

home manufacturers. This indicates that the decline in UK employment may also be near its bottom. There are about 60,000 working in the industry now compared with 88,400 a decade ago. But the figure is not likely to fall much below 58,000 unless the economy deteriorates.

Imports appear to have risen exports.

it is simply acting as a con-duit—and should not therefore

Then there are the motives

of the thousands of people who have sent money. These are impossible to define but most,

doubtless, expected their cash

to end up directly with victim's

relatives, not on community

purposes or even on the Royal National Lifeboat Institution—

a possible beneficiary if not all

the money went to the families,

The tax position, for those

Donors. Charitable donations

CTT rules apply.

concerned with a private trust,

are normally exempt from Capital Transfer Tax but since

this is not a charitable trust

There is, however, a £3,000

is as follows:

ing that the savage decline in about 120m pairs—about 13 per the footwear industry has come cent more than the record 106m pairs in 1980. They account for just over

one pair out of every two stocking which took place in the delivered to the shops. Nine first six months of last year has years ago imports accounted for less than one pair in every Official figures from the British Footwear Manufac-

British Footwear Manufacturers' Federation have still to confirm these trends. They are expected to verify the feelings in the trade in about two or three months.

But they already show that 13m pairs were delivered from of the Continental currencies. British manufacturers in At the wholesale trade level. October, compared with 12.6m in Seplemher.

The most encouraging figure is of manufacturers' orders. The 15.1m pair ordered in October were 15.3 per cent higher than a year earlier. In the five months from June to October, there was a 36.5 per cent jump in orders. The international picture con-

tinues to be obscured by the civil servants strike. There was a sharp rise in imports in October-as well as a rise in

contributors will be unaffected. If the Inland Revenue finds out

about donations above this

● The Trust. A private trust does pay income tax so there

may be some to pay if the

money is put on deposit. The

CTT liability will be hased on

the position of individual con-

tributors but suce the Inland

Revenue will have no idea what

this is it is almost certain that

there will be virtually no tax

• The recipients. No tax will

he payable on receipt of any

capital, though once this is

reinvested income tax will be paid on any income in the

normal way. Tax would be paid if the money were to be distributed by the trust as

This fund made it clear that annual exemption so that most

—but its distributions have mark, a cumulative lifetime arguably gone a long way to-total of £50,000 is also tax free, wards "the rekief of poverty."

The Trust A private trust

Inquiry deferred Penlee disaster fund will go to widows and dependants

A PUBLIC inquiry into a Canvey Island methane plant opened yesterday but was deferred to January 25 to the British Gas Corporation, which runs the plant, and the Government Health and Safety Executive to study evidence.

Strathclyde iob boost STRATHCLYDE Regional Council's Economic and Industrial Development Committee will have its budget trebled from about £500,000 to £1\m to create jobs. The council expects that the European Social Fund will provide another £1m by mid-April, to create a total of 2.000 jobs.

Datsun prices up DATSUN UK will raise the prices of three of its most popular models by an average 2 per cent on January 20. This means prices of the Cherry, Sunny and Bluehird ranges will have risen hetween 10 and 11 per cent in the past 12 months.

CB radio warning COASTGUARDS have warned

boat owners against using CB radios. The Department of Trade said CB raios offered only a 30 per cent chance of a distress call being heard and relayed to the coastguard. Marine band gave a 98 per cent chance.

Ship fund on target THE FUND to raise Henry VIII's favourite warship, the Mary Rose, from the seabed off the Solent reached its 1981 £2m target after a £50,000 gift from Dr Armand Hammer, head of Occidental, the U.S. oil company.

Three-day week ABOUT 2,000 cmployees of the Michelin Tyre Company Stoke-on-Trent started a three day week.

Davy subsidiary THE FULL name of the Davy Corporation subsidiary named in our December 1 feature on UK industry's labour shakeout as British Testing is Lloyds British Tosting.

Bank giro credit traffic declines

BY WILLIAM HALL BANKING CORRESPONDENT

A SHARP drop has been recorded in the volume of business passing through the clearing hanks' giro credit system-used by customers to pay bills-since the introduction of charges last summer. The extent has surprised many bankers.

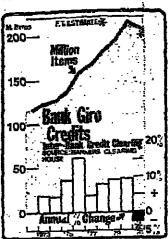
In November, the volume of inter-bank credit clearings dropped by 16 per cent to 15.4m items, according to confidential figures compiled by the Committee of London Clearing Rankers. When the first bangs intro-

duced charges of 30p per item for inpayments by non-customers: a temporary fall in traffic was expected. In June, the volume of credit clearing between banks fell by

per cent. In July, it was down 10 per cent. However, the decline has accelerated. In August and September, traffic fell by 8-9 per cent, and in October there was a 14 per cent

Under the previous system any bank branch would process the payment of bills free of charge through the giro credit

Until the banks started charging non-customers, the volume of the giro credit traffic had been growing at an annual rate of about 8 per cent having doubled since 1970, amounting to 200m items a year. In the opening months of 1981, volumes continued to grow but. since the summer, there has been a drop in the number of transactions and in the first 11 months of the year overall Some transactions have been



re-routed via the customers own branches to avoid charges. But preliminary evidence suggests that many customers are making alternative arrange-This is causing some bankers anxiety since they felt that the charges are hampering their efforts to encourage people without accounts to acquire the banking habit.

The banks are automating the giro credit system in nandle more business and contain the rapid escalation of costs. If the decline in giro credit business continues at its recent rate, some bankers wonder whether investment in modernising the system is justified.

The banks' main rival in this area is the state-owned National Girobank. In a move to win business from the banks, it recently announced a temporary suspension of its 30p per item charge for payment of gas and electricity bills. It will review volume is down by 3 per cent. the situation at the end of

Fall of \$116m in gold and currency reserves

BY DAVID MARSH

BRITAIN'S gold and foreign currency reserves fell \$16m last month to finish 1981 at \$23.35bn. making a fall of more than \$4bn in the year, according to Treasury figures published yes-

The fall in the past 12 months is almost entirely accounted for by a reduction in Britain's foreign debts.

months—seems to have reflected payments of only \$15m.
some-small net sales of curren—The two state insti cies by the Bank of England to carrying out borrowing last steady sterling during its erratic month were British Telecom fluctuations last month. It (\$59m) and the National Water steady sterling during its erratic fluctuations last month. It traded in December in the range \$1.86 to \$1.96 against the dollar. loans from EEC institutions.

The underlying fall, after underlying fall since sterling the Government's general policy started to weaken in June to

This change does not simply reflect intervention as it is the for further reductions is only product of a series of trans- small. actions which the Bank makes for the Government and other Nonetheless, it gives a broad

the second half of last year. The liabilities.

amount spent is only small compared with previous periods of intervention. The reserves were also re-

duced last month by a normal end-year repayment of \$136m. on long-term loans to the U.S. and Canadian governments. Other official debt operations added to the reserves as public

sector borrowing under the The decline in December— exchange cover scheme the ninth fall out of the past 10 amounted to \$121m against re-The two state institutions

Council (\$62m), both through The Treasury maintains that foreign debt transactions, came serves through public borrowing to \$96m. This took the overall abroad represents no change in

> of reducing recourse of foreign But it is clear that the room

Outstanding debt fell last year by almost \$45n from \$18.15n at end-1980. So the fall in overall reserves last yearpicture of the amount the Bank from \$27.48bn in December spent to smooth sterling's 1980—was almost totally due to decline during its weak phase in a reduction in Britain's overseas

Decision likely today on Gill payment challenge

BY JOHN MOORE

Pension Funds is expected to poration to a record compensa. a £560,000 payment. tion payment of over £700,000 to Mr Jack Gill, the former managing-director.

A legal opinion has been sought by the pension funds. who collectively hold around 8 per cent of the non-voting 'A' shares of Associated. The funds are likely to take action in the courts in an effort to block the payment to Mr Gill if they are advised that they have a good chance of success.

Mr Gill's solicitor. Sir David Napley said yesterday that his client would not be attending the extraordinary general meeting on Friday at Associated's headquarters.

Sir David Napley will attend with a proxy from Mr Gill and authority to use his voting shares—amounting to a 15 per cent stake-in support of the compensation payment.

glomerate who holds 27.6 per the payment as "unsavoury."

THE NATIONAL Association of cent of the voting shares, has told shareholders already that announce today whether a High directors holding 45.3 per cent Court challenge is to be made of the tightly held voting share: by pension fund investors of have pledged their support for Associated Communications Cor- a resolution granting Mr Gill

. Sir David Napley sald vester-day that whether Mr Gill uses his own shares to support the resolution "will have be a matter I will decide at the meeting. My tentative view is he will not use his shares. Hopefully, that will not

Sir David Napley explained that the terms on which Mr Gill would leave Associated were agreed in writing. Under the Companies Act, approval of the terms was required at an extraordinary general meeting. Mr Gill had been prepared to leave only if those with votes agreed to use them to support the agreement. Sir David was confdent of a majority.

Lord Matthews, an Associated director, is expected to use shares he owns or influences, about 9 per cent, to vote against the compensation at Friday's Lord Grade, chairman of the meeting. Sir Leo Pliaizky. Associated entertalmments con- another director, has described

Halliday Simpson inquiry

BY JOHN MOORE

AN INTERNAL Stock Exchange to see whether further proceedinquiry has been completed into ings were necessary under the the affairs of Halliday. Simp Stock Exchange's disciplinary son, the Manchester stockbroking firm suspended from dealyesterday.

The report describes dealings carried out by Halliday over a number of years and has examined whether there have been any breaches in Stock Exchange rules.

arrangements. Depending on the outcome of the meeting, the ings in July. A report, more matter could then be passed to than 100 pages long, was studied the disciplinary committee, by the Stock Exchange council. The Stock Exchange is not The Stock Exchange is not expected to make the report's been completed. The Exchange

conclusions public until any disciplinary proceedings, have has an appeal procedure in its self-regulatory merhanism, so It is possible any further statement will not be made until all The council was studying the of any hearings are complete. Teport and its recommendations. This may not be until May.

Woodworkers prove that quality pays off Raymond Snoddy describes how jobless craftsmen

THE ENTIRE workforce of a Kent joinery company travelled recently from Aylesford to a reception specially for them in the new offices of the Bayerische Landesbank Girozentrale near

London's Guildhall. pleted work—the £160,000 refurbishment of the eightstorey building, including the making of dealing desks and reception desk. Mr Colin Cheesman and Mr Howard Grey. directors of the Colin Cheesman joinery, asked the bank if they could bring their men to see the finished lob.

of the work and the fact that "This is an unusual company.

The joiners and apprentices were there to sec their comin London and done work for

The Bayerische Landesbank were so pleased with the quality it was completed within the nine weeks specified that they paid half the cost of the trip

We will not make flimsy, cheap or nasty things. We are interested in giving craftsmen so that they can take a pride in what they are doing," Mr Grey the Swiss Bank.

have built up a thriving enterprise The company, which last May moved into a former cash-andestate on the outskirts of Aylesford, has already refur-hished-the First National Bank

the Al-Saudi merchant bank. There are high hopes for landing a £250,000 contract for refurbishing another merchant bank and the company is already in the black and on target for a film turnover in its first year.

Colin Cheesman Joinery plans to specialise in bank, office and shop refitting, but its also ready to undertake high-quality oneoff jobs other companies are not interested in. The company has just finished a £6,000 swimming platform for the pool in back satisfaction in their jobs Paul Getty's old house and is making 20 dealings deaks for

All but three of the 40 work- was there because Colin force, which includes three Cheesman and Howard Grev apprentices, had either been carry warehouse in an indus- made redundant or were facing this country today - creators redundancy. A dozen lost their jobs when an Isle of Grain joinery collapsed. Others were

facing redundancy in Chatham dockyards. Mr James Sweet turned up apprentices. Mr outside the Cheesman joincry the day after losing his job. looking for work at the age of 62. And he found it.

One day last month, Mr Robin Leigh-Pemberton, chairman of the National Westminster Bank. travelled to Aylesford, to open officially the premises of one of his more modest customers. As he stood beside a large sanding machine he was watched the by Mr John Stanley, the Housing Minister, and representatives of Arup Associates and the Bayerische Landesbank.

Mr Leigh-Pemberton said he

represented what we need in of wealth. Doers who had created jobs for men who might otherwise be unemployed." Later, sitting on a garden seat made for him by the joinery

Leigh-Pemberton explained there was another, more personal, reason. He had played cricket in the same Torry Hill team as Mr. Cheesman, and as a boy during the Second World War he had helped bring in the harvest on the farm of Mr Chcesman's father-in-law. The architects and designers sipping a glass of wine among

wood-working machinery

Colin

said they had come to the

Cheesman was a very unusual

person who made sure that jobs

were done skilfully and on

because

opening

The new company is the result of the frustration of two based Wiltshier group of construction companies. Mr Cheesman, aged 46, joinery director of Wiltshier International Interior Contracts

and Mr Grey, a chartered

accountant and group financial director, disagreed with the way

the company was being run, They resigned and started up on their own with £50,000 share The company, with a staff of 70-80, is aiming for a turnover of £3m within the next two or three years. Mr Grey hopes a microcomputer might be pessible sometime this year. But just as Mr Cheesman him-

"devoted" to getting jobs on time so he is ruthless with suppliers who cannot meet his standards. While the official opening ceremony was on two nir stapplers were delivered. They had been promised 24 hours earlier and Mr Cheesman told their deliverers to take them away.

المكنائين المنافق

muary 6 150

Navy redundancy plan

officers and senior ratings are being offered financial inducements to leave the Royal Navy in what the Ministry of Defence calls the "first phase" of a redundance programme designed to reduce the Navy's strength by between 8,000 and 10,000 by 1985.

The redundanties, amounced in last Jime's defence review, are to be voluntary at first, but compulsory retire-ment may be introduced if annual volunteer targets are not met,

Details of the redundancy terms were circulated to the Fleet last month. Those who leave will get a tex free lump sum of up to 18 months pay, as well as the terminal grant, based on seniority and length of service, which personnel

The average payment to departing officers is likely to be £30,000 and to senior ratings £14,000, tax free and

exclusive of pension.

A captain with three years seulority will get £47,925 and a £7,000 index-linked pension, while a petty officer with 12 years service would get just under £12,000 and a £1,400

The MoD argues that until it is known how many servicemen will leave through the preferred method of "natural wastage" it is not possible to calculate the total cost of reducing the size of the Navy.

present plans, Ark Royal, launched by the Queen Mother

being offered invincible for £175m-what the ship cost to

Its "follow-on" sister ships will cost £200m and £220m

Cost is the main reason why

the size of the fleet is diminish

ing. The cuts are affecting warship building, which experts

believe is approaching lowest-

In the next four years three

SSN submarines, three Type 22 and six Type 42 frigates are

due to be delivered. There are

seven coastal minesweepers/ hunters on order. No new

orders for warships are on the

Mr Nott put the Navy's

defence spending-in historical

perspective in a recent speech

to the International Institute

for Strategic Studies.
"In 1950 the Navy had 12

aircraft carriers and commando

ships, 111 destroyers, 165 frigates and 62 submarines. In

1980 the figures were three carriers, no cruisers, 12

destroyers, 54 frigates and 28

Five years ago, Mr Nott said,

about 31 per cent of the defence

budget went on equipment.

seems, is what prompted Mr

His main aim has been

keep the Federation out of

politics, even during difficult

periods like the hunger strike.

He shares the Chief Constable's objective of trying to make the

RUC acceptable to both com-

The controversy has already

caused damage because various

Republican spokesmen have

cited the row as evidence that

Mr Paisley's supporters.

the RUC has been infiltrated by

There are those, however, who

believe that if a majority of

rank and file members were to

ask Mr Wright to reconsider, the

end result would be to

strengthen Sir John's position

ruling by the courts, uncer-tainty will persist about the

liabilities faced by marine

The final ruling will be made

by the House of Lords, to which the case will go whatever the

outcome of the appeal court

Wright to resign.

munities.

against 44 per cent today.

declining fleet—and

build in the 1970s.

respectively.

ever levels.

Destroyers will be sold as scrap unless buyers are found soon

BY BRIDGET BLOOM, DEFENCE CORRESPONDENT

THE ROYAL NAVY must The Royal Navy's fleet Royal Navy late next year. On of 20 destroyers and found for only three of the

The Chilean-Navy is to buy HMS Norfolk, a County class frigate, and two Leander class frigates, Dido and Bacchante, are being sold to New Zealand.

The same fate probably awaits the amphibious assault ship Intrepid, which is due for disposal this year. Its sister ship Fearless is destined to go out of service in 1984.

The Navy's instructions to sell, mothball or otherwise dispose of key ships in its fleet was given emphasis in last June's Defence Review.

Mr John Nott, the Defence Secretary, said the Navy's force of frigates and destroyers would be reduced from 59 to 50 by

These figures, however, gave only a partial picture of the intended reduction in fleet size. In 1980 alone, one helicopter cruiser and seven frigates, as well as two inshore mine-sweepers and a fast attack craft, were taken out of service.

According to information given recently to Parliament, 24 ships will be withdrawn between now and 1983. One anti-submarine warfare sold to Australia, leaving the

Ken Livingstone

MR. KEN LIVINGSTONE.

was criticised yesterday for

wasting thousands of pounds of

ratepayers' money on a U.S. tour to find ways of recruiting

Bullers, the brigade's chief

officer and two other brigade officiels will cost £1,750, a head.

Mr Turney is chairman of the GLC's Public Services and Fire

brigade was one of the last

areas of the public services to

be integrated in the U.S.
"When Labour gained power

last year, only 10 of the brigade's 7,000 men were

Mr Peter Black, a Conserva-

Brigade's Committee.

Greater London Council leader, MR ALAN WRIGHT, chairman

more black people into the Lon- stated on the issue.

criticised over

U.S. fire tour

frigates in the next two years must be cut by 20 in the but so far buyers have been next two years. Only in June, and Illustrious, which three have been sold, is being completed, will remain. Bridget Bloom reports.

commando carrier, a county class destroger and three frigates were withdrawn last year. Unless buyers can be found So, too, were a coastal mine-for the remaining 17 ships soon, sweeper and three fast target they will be sold for scrap.

in the coming year. Intrepid will go, as will one destroyer, three frigates, two coastal minesweepers, a coastal patrol craft and Porpoise, the only submarine in its class in the Navy.

Due for disposal next year is HMS Endurance, Britain's only ship adapted for work in the Antarctic. Suggestions that the 3,600-ton ship will be sold to Brazil, which has shown interest in it, have aroused controversy among some Tory MPs and peers who say the sale would eaken Britain's position in the Falkland Islands and Antarc-

Projected withdrawals from service next year include the carrier Hermes, one frigate, a coastal minesweeper, a coastal patrol craft and HMS Londonlerry, the Navy's trials ship.

t controversial is probably the decision to sell one of the three new aircraft carriers. HMS Invincible is likely to be

Police Federation chief

MR ALAN WRIGHT, chairman Although the central com-of the Northern Ireland Police mittee of the Federation said it

Federation, may be urged to was appalled that the minutes

reconsider his decision to resign. of its November meeting had

The membership may be con- fallen into the hands of the

Rev Ian Paisley, two members of the committee are believed to have voted against a motion

may be urged to stay

BY BRENDAN KEENAN IN BELFAST

The three-week tour of Coun- Wright's main differences are condemning political interferillor Simon Turney, Mr Ronald not with Sir John Hermon, the ence in RUC affairs. This, it

chief constable, but with some

members of his own central

Mr Wright refused to

elaborate on his resignation

and professional regard for Sir

and office to be spilled by

people who do not have the interests of the RUC at heart."

cannot permit his name

committee.

Mr Wright said.

- One mionist

Salem insurers to challenge ruling

THE SAGA of the Salem, the toques of crude oil had been cations, of the case. It is felt tanker scuttled off the West lost as a result of a peril that, until there has been a final African coast after secretly disagainst which its owners, Shell ruling by the courts, uncer-

Petroleum International, had

argued that the loss had resulted

from a fraud not covered by the

Mr Livingstone said: There statement, saying he is now an

John.

is a lot we can learn from the ordinary constable. He said he experience in America. The fire had the atmost personal respect

tive councilior, said: "This is an suggested that Mr James Prior,

incredible waste of money the Secretary of State, should They are swanning off across intervene and work out a settle-the U.S. to find out information ment. Mr Harold McCusker

they could get just around the (Armagh) said the situation corner."

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

Africa, will return to the courts been insured; when the new law term begins Lloyd's underwriters had

reject 9.1% offer in local ballot

By Philip Bassett, Labour Staff WATER WORKERS in Wales

and the West Country belonging to the National Union of Public Employees, the industry's union, have second-largest rejected the water authorities 9.1 per cent pay ofter and called

meeting in Salisbury, recorded rejection of the offer by about 950 votes to 550.

Mr Garry Cooper, Nupe south-western divisional officer, forecast that the outcome of voting in all 11 Nupe regions would be to reject the offer and call for "pretty immediate" industrial action.

About half the 3,000 Nune water industry members in Wales also voted to reject the offer—though by the clearer majority of roughly 5-1. Only one of the seven branches involved, West Wales, voted to accept the offer, and then only by a narrow majority.

Nupe's water national committee will meet tomorrow to collate the wotes of its areas and the Wales area at least will the committee national co-ordinated industrial

Balloting on the offer in the largest union in the industry, the General and Municipal Workers', is due to end today. Voting has so far been unclear, and the union contacted all its regions yesternay to try to ensure their returns, thiught to have been delayed by the Christmas and New Year holiday, would be in by today. The offer would take the basic rate for the lowest grades from £71.70 to £78.20, and for highest from £78.70

to Dispute hits Militants embarrass rail union

By Ivo Dawnay, Labour Staff

UK's Newhaven-Dieppe ferry. the Senlac, continued yesterday the two ports.

ferries at

Newhaven

on Monday night after the comwill force it to close the service

partners, SNCF. However, the company said last night that it was unable to persuade SNCF, which owns two-thirds of the service, to

Industrial action is threatened at Harwich where Sealink is in talks with the seawithdraw two ferries operating on the Hook of Holland and Zeebrugge routes making 165 crewmen and 48 officers re-

the 3.294 ion Essex and the 3.004 ton Norfolk with a single alter-

to resume Monday.

Cowley men face 'tea break' cut

Financial Times Reporter COWLEY is facing a version

Austin Morris has given the union at the assembly plant five days' notice of its inten-tion to reduce relief times by 10 minutes each day.

Shop stewards there who have already decided to reject the changes are to meet today

Mr Bobby Fryer, senior shop steward for the Transport and General Workers' Union, refused to comment on the form of resistance.

But be hinted that it would not be a strike. Unlike Long. bridge, Austin Morris is not seeking any tightening of work standards.

that they have already confributed to increased efficiency by helping BL to achieve a 30 per cent imrovement in productivity in its car factories.

The Cowley proposals also means that nearly 70 people who work as relief men will move to other jobs. .

Water staff | Pit strike could cut jobs, warns Ezra

BY JOHN LLOYD, LABOUR CORRESPONDENT

MINERS were yesterday warned they may face unemployment if stress, however, that it cannot the national ballot next week. Sir Derek Ezra, chairman of the National Coal Board, said during a visit to Swansea that a

investment programme, damaging future job prospects." Sir Derek emphasised that this effect would be "disastrous" in a period of recession, when unemployment was still rising,

especially in areas like South

However, he did not repeat that the board's offer—worth hetween 9 and 10.5 per cent with the inclusion of a service bonus-was final. The board is thought certain to agree to further meetings between the two sides should the vote favour a

they vote for strike action in afford to increase the offer, and will not raise fuel prices to fund a higher settlement. This ment to relax the NCB cash strike vote could force the NCB limits. to make further cuts in our Board officials agree with the

> analysis of the mineworkers' leaders that the Chancellor's mini-budget last month made a round. strike vote much more likely. The country's 240,000 mineworkers will vote next Thursday and Friday, and their leaders are urging a much higher vote for strike action than the 55

gress made by the coal industry in the past year. Productivity and attendance had improved substantially, allowing the NCB markets and to pick up new

he said.

The Coal Bord's offer, worth up to 10.5 per cent for men with long service in the industry, bears comparison with any made to any group of indus- over the next week. trial workers in the present pay

Furthermore, it comes only 10 months after the last increase, whereas other industrial workers have waited a full year for their rises. And it is the miners' third increase in 20 months.

cent constitutionally The offer we have made has Sir Derek said yesterday that been put together in such a way a strike would imperil the prothree objectives: to continue to pay good wages; to give us the

The board has continued to to hold price rises below infla-tress, however, that it cannot tion and to increase exports, go on investing in the future ford to increase the offer, and he said

Delegates representing the average the equivalent of 26,000 South Wales miners places the onus on the Govern- 9.3 per cent on basic rates and voted unanimously to recomoffer. A series of pithead meetings will be held in the area

Philip Bassett writes: Miners' pay will overshadow the negotiations opening tomorrow for 90,000 manual workers in the electricity supply industry. Power workers' union leaders are expected to have the miners' offer in mind when they table their claim for a substantial increase in pay and a reduction in their present 37-hour

to withhold any reply until the next meeting with the unions, set for February 4.

Bank union to propose 15% pay claim

THE Banking. Insurance and Finance Union (Bifu) yester-day decided to submit a 15 per cent pay claim in the politicallysensitive national negotiations for clerical staff in the English clearing banks.

Bifu and its non TUC affifiated rival, the Clearing Bank Union (CEU) will present separate claims formally to the Federation of London Clearing Bank Employers tomorrow. The CBU will set a figure in the morning. The talks cover clerical

crades one to four and the mininum managerial salary. Bifu represents some 70,000 managers and clerks Barclays, National Westminster, Lloyds, Midland, and Williams and Glyn's-or roughly a third

today and is faced with indus-

trial disruption by the train drivers' union. Aslef, and an

embarrassing internal political

The 26 NUR executive mem-

bers are elected for a three-

year period, and the August

elections brought 10 new mem-

bers. The executive, however,

will not have to respond imme-

Closer to home is the re-airing

this week of the union's diffi-culties with NUR supporters of

the Labour Party's Militant

In the NUR, Militant has a

formidable opponent in Mr Sid

Weighell, the general secretary,

who ended last year's political

report with a sharp affack on

Militant supporters and their

determination to convert the

Labour Party into a Bolshevik-

style organisation paving the

way to physical confrontation on the streets".

been evidenced externally by re-

peatedly raising within the

Lebour Party the question of the re-introduction of the list

of proscribed organisations, and

internally by taking action

against Militant supporters for

the distribution of unofficial

NUR left-wingers - some of

them not Militant supporters-

who have borne the brunt of the

inquiry set up to investigate branch complaints about the

circulation of such literature have complained of a "vendetta"

The inquiry-a sub-committee

literature.

against them.

Mr Weighell's opposition has

at the union's annual general vital issues

Tendency, which first emerged

diately to either issue.

Andrews in Scotland.

date is April 1. be loth to damage their image
The unions are aware that with industrial customers by they face difficult negotiations. The bank chairmen will also meet tomorrow, and are likely

ment. The federated ment. The federation will respond to the claim on January Last year, the banks settled at 10 per cent after aiming at single figures. However, they will draw strength from having

paign of industrial action by Bifu, which has left the union's relations with the federation in a poor state.

Although there has been no repeat of last year's exhorta-tions from the Prime Minister the union's claim on the

Many executive members

would like to see the issue

quietly dropped, and some be-

lieve Mr Weighell's pursuit of

Militant supporters has gone

the issue will just go away. This

is because Militant tends to be

rélentless in its efforts to in

fluence policy, and because of

the publicity given to the issue.

It seems unlikely that branches

will fail to raise the executive's

handling of the issue at this

It is also thought likely that

Militant supporters may try at

the conference to put into prac-

tice the programme for changes

in the union. NUR rules say

the annual meeting can change

the rules only once very three

years — and it is thought sig-

nificant in the union that Mili-

tant opened its campaign last

year in time for the 1982 rules

Disciplinary action against five NUR members, mentioned

in the inquiry's report, for the

circulation of literature is notional — a £5 fine, though

it is likely that a rule change

tent" breach of rule 10 section

10 on the circulation of litera-

of the union's executive — pro-duced a report on the alleged to expulsion, but the placatory against its supporters will need

at this year's conference will increase that to £10.

revision year.

infiltration of Militant into the response of the five named

year's annual meeting

Philip Bassett looks

at the way the

NUR leadership

is facing two

However, it is unlikely that

paying increases substantially higher than those elsewhere in the private sector. The banks will also want to keep a tight hold on their own staff costs.

Bifu's claim contains a low

pay element which would raise the minimum for a grade one clerk at the age of 21 from £3.238 to £4,160, or £80 a week. Other rates would have to be settled a couple of points below tapered accordingly. This means the inflation rate despite a camthat the cost of the claim to employers, if paid in full, would be more than the general 15 per Mr Leif Mills, Bifu's general

literature seeking to influence

unauthorised."

NUR policy which was " entirely

Mr Weighell was particularly

annoyed at Militant staging a

public meeting at the con-

ference in a St Andrews' hotel,

even though it was poorly

attended, and at the distribu-

literature calls for radical

tant areas to make it more

accountable to the membership."

It suggests the re-election of all

five years "with the provision

that the members may recall

and replace where necessary

those officials who become out

of touch with the shop floor."

Officials should receive only the

The elections for the new

executive have reduced the

influence of the left in the NUR,

and have probably robbed it of

the majority it was able to

be more ready than the old

one to support Mr Weighell-

and the intractability of Militant

necessary expenses.

command.

' needs

all possible executive support. year with a deficit of £140m.

nion, which it says

of the staff. The settlement and the CBI, the banks would grounds of the cost of living date is April 1.

He expected November's 12 price inflation to rise further. He also drew attention to the 15.6 per cent rate of increase in the tax and price index.

Barclays, NatWest, Lloyds and William and Glyn's had together made half-year profits of £765m, Mr Mills said. He expected their full-year profits to total more than £1.5bn.

The minimum for a grade two clerical worker is £3,255 at age 18, rising to a standard maximum of £4,872. The grade three range is £4,604-£6.006, and grade four £5,449-£6,936. The minimum managerial salary

TUC action

THE NEW executive committee union, which was eventually of British Rail's largest union, rejected 17 to 7 by the executive. the National Union of Railwaymen, meets for the first time

THE OCCUPATION of Sealink

halting all passenger and vehicle ferry services between

More than 50 seamen began a sit-in on the 5,590 ton ship pany announced that continuing losses exceeding £1 this year with more than 200 redundancies at the end of this month. Crewmen want the decision to close the service postponed to allow further regotiations to take place with Scalink's French

make any hig alterations

men's unions over proposals to dundant.

The company wants to replace native vessel.

The National Union of Seamen said it was concerned and would do its best to save all the threatened jobs. No deadline has been set for the withdrawal of the vessels and talks are due

of the "tea break" row which cost BL £100m at Longhridge.

to decide their tactics,

The unions feel, however.

Gibraltar trip

SENIOR OFFICIALS of the Transport and General Workers' Union will fly to Gibraltar on Friday to report that the UK Government has not yet responded to a request for meetings with a delegation of colony's unions on plans to close the naval dockyards there.

awaited on such action unlikely. Aslef ban The inquiry was set in motion after Md Weighell issued a confidential circular last year call-By Philip Bassett and Lynton McLain ing for further information on

BRITISH RAIL and leaders of

Aslef, the train drivers' union, are awaiting formal TUC intervention in their pay and productivity dispute following informal soundings made by Mr Len Murray, TUC general secretary. Mr Murray maintained contact with both sides yesterday tion at the conference of a Miliafter a late-night meeting with tant pamphlet on the union: A Sir Peter Parker, BR chairman, Fighting Programme for the

and Mr Cliff Rose, BR board This and other Militant member for industrial relations. He was careful mainly to inchanges in the structure of the form himself fully of the democratising in several imporany proposals for resolving the dispute. This centres on BR's refusal to pay train drivers the second 3 per cent stage of this full-time officials every three or year's 11 per cent deal because σf progress productivity.

Southern Region suffered most from the Aslef ban on overtime and rest-day working, with 39 morning services cancelled yesterday and at least 14

average industrial wage plus in the evening. Militant calls for a rejection Eastern Region services were of BR's corporate plan, no job disrupted by a separate dispute involving Aslef drivers in Edinburgh. This caused a losses, a rejection of incomes policy, an £80 minimum wage, an immediate 35-hour week and a number of cancellations and rejection of all productivity

Inter-city services to Edinburgh to halt at Newcastle. BR said yesterday it lost an estimated £60m last year compared with a loss of £76.9m in 1980. It comes after govern-

forced two-thirds of normal

ommand. ment grants totalling £754.7m.
The executive will probably for 1981. The grant was raised by £110.4m to compensate for the recession's effects on BR passenger revenue. Without the increase, BR expected to end this

This announcement appears as a matter of record only November 1981



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The insurers of the cargo will challenge in the Court of insurance.

Appeal a Commercial Court The appeal is being expedited a Commercial Court ruling last April that the 196,231 because of the worldwide impli-

on January 11

CONTRACTS

ommunications system.

£7m home defence order for Pye

charging its cargo in South

when the new law term begins

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systems for each of the home defence regions. The com-mander of each region will be able to talk directly to the forces under his command from his headquarters, irrespective of whether those forces are still in their barracks or deployed to

operational areas. authorities, police and fire The user will have radio equip-

ment which can be used as a desk-top, a mobile or a portable will be handed over throughout 1982 and 1983.

Work has commenced on four duced by AB Cranes, available contracts totalling over 22m, from 3 tonnes upwards.

Pye Telecommunications has Military communications in the awarded to the Plymouth-based won a Ministry of Defence UK have depended on telephones firm, CARKEEK BUILDING contract, valued at £7m, to up.

Retitled Telephones rented CONTRACTORS. The largest, grade the UK's home defence from British Telecom, which has worth £874.000, is the new Magistrates Courts complex at Bodmin, Cornwall. The other meant the nation has relied on a system designed for a peacetime command structure. Codenamed Mould, the new project will provide mobile, single channel, all-informed, Cornwall radio command and control

underwriters

contracts include a £478,000 post graduate centre at the Royal Hospital (Treliske) Truro; a £460,000 development at Whitleigh, Plymouth, of flats and bungalows for Devon and Cornwall Housing Association, and 18 dwellings for Torbay Borough Council

AB CRANES, Telford, Shronshire, has won its first Ministry of Defence contract—an order The communications system is for 6 tonnes electric level luffing similar to that used by local travelling dockside jib crane. This is to be supplied to the naval base, Portland, for general dockside service work and has special microprocessor control on station. Installation has begun the hoist, slew and luff motions. and the first home defence. The crane was also designed to region, which covers London, has cope with the stronger than usual the hoist, slew and luff motions. been completed. Other regions wind forces experienced in the area. This is the first of a new range of jib cranes being intro-

FT COMMERCIAL LAW REPORTS

Digest of cases reported in Michaelmas Term

FROM NOVEMBER 27 TO DECEMBER 23 1981

Hatteras Shipping Company Inc. from the arbitration award

into repair at Las Palmas, the repairers took approximately with the same event. three months longer to complete than was anticipated by their contract, which specified that for every day beyond the agreed time, the repairers would have to pay a sum to the shipowners. However, Mr Justice Staughton held that as the ship-owners were in part responsible for the delay, they could not claim liquidated damages.

The Tesaba (FT, December 1) The salvors of the Tesaba alleged that after they had rescued the ship and its cargo off the coast of Salonica, the shipowners failed to abide by the terms of the salvage agreement. They sought the arrest of the ship, but Mr Justice Sheen refused to extend the jurisdiction of the Admiralty Court to them. The claim, he said, was one for damages for breach of an agreement that areas after the court of the court agreement that arose after the salvage operation was completed. Furthermore, any claim to the cargo was one of lien only, and the dispute had not resulted from a "carriage of goods by sea" under section 1(1) of the Administration of Justice Act

Regina v National Dock Labour Board, Ex parte British Transport Docks Board (FT, December 2)

In a labour dispute, a national board that administered an employment scheme in Britain's docks, decided that the British Transport Docks Board, an employer of dockworkers, had wrongly dismissed its men. The employer's argument when put before the board, was based on one particular point, but the board reached its decision by way of a different point. On a motion by the employer to set aside the National Board's decision. Mr Justice Forbes held that as an administrative body it had a duty to act fairly, but was under no obligation to hear the employer's argument on a point which was not in its mind when originally put its views forward.

International Sea Tankers Inc of Liberia v Hemisphere Shipplug Co. Ltd. of Hong Kong (FT. December 4).

The guidelines laid down in the Nema for granting leave to appeal against arbitral awards vere put to the test. The "oncevent in this case was the Gulf War, while the problem of general applicability was clear more than 60 ships were trapped by the outbreak of fight-An incontrovertible date on which their charter parties could be regarded as frustrated was of crucial importance interests of legal certainty, Lord ate share of the funds.

Astilleros Canarios SA v Cape Denning said, leave to appeal should be granted so that an the Cape Hatteras authoritative decision might be damaged its crankshaft and put given as to the frustration date, binding on all arbitrators dealing

Inland Revenue Commissioners v Burmah Oil (FT, December 8)

The Law Lords, reconfirmed that the attitude of the courts towards tax avoidance schemes had undergone a marked change. The kind of scheme to which they were referring was one in which a mastermind manipulated a series of transactions between wholly artificial, mindless entities. Where these transactions fulfilled statutory requirements but served no real commercial purpose, the courts would now look solely at the end result. The husiness community and their advisers, Lord Scarman warned, would do well to take note of the

The House of Lords held that an ACAS officer had fulfilled his duty under the Employment Acts to promote a settlement by taking action "applicable to the circumstances of the particular case. He came to a meeting between the employers and Mr Moore who had just resigned at their hehest. Mr Moore wrote out a letter of resignation while the officer made out a form in "full and and final settlement of all claims." Mr Moore in signing this, excluded his right to complain to an indus trial tribunal, and the officer, in explaining its effect, had done what was required to "promote a

settlement."
In Re Stewarts (Brixton) Ltd (FT. December 11)

The commonly held view that only a minority shareholder can claim relief from "oppressive conduct" under section 210 of the Companies Act 1948 was disnelled by Mr Justice Vinelott. In this case the two co-directors owned exactly the same number of shares. None the less, the one director could be regarded as having had a dominant position, and he used that position to channel work and material: into a new company that he had set up. His co-director was entitled to petition for a sale of the shares, the judge held, without having to resort to windingup proceedings. Petroleum Ltd

Bernard Kenny Ltd (FT. December 15) The Court of Anneal reviewed a conflict between two well-established principles of law. namely (1) that a judgment creditor is entitled to enforce his debt: and (2) that unsecured creditors ought generally to be treated equally and to receive the same proportion

is irretrievably insolvent and a charging order nisi is obtained against his property by one creditor, against whom no allegation of trickery is made, then the order should generally be made absolute unless the main body of creditors have already up a viable scheme of

arrangement. Laertis Shipping Corporation v Exportadora Espanola de Cementos Portland SA (FT, December

A phrase in a contract, providing for arbitration "in the customary manner." was considered by Mr Justice Bingham. who held that a court ought not to import legal notions of custom into its meaning. It was intended to refer to the way things were usually done. The evidence showed that the most usual way was for each party to appoint an arbitrator, and for those arbitrators to appoint an umpire. Marina Shipping Ltd v Laughton

and Another (FT. December 18) A blacking action by officials the International Transport Workers Federation against a Maltese ship was declared unlawful in the Court of Appeal. court held that for such secondary action to be lawful under the Employment Act 1980. contract would have to exist between the shipnwhers and the port authority supplying the services. No such contract had

court held that where a debtor been entered into by the owners or by the ship's master on their behalf. Z Ltd v A-Z and Another

(FT, December 22)

The Court of Appeal issued guidelines for banks and other innocent third parties as to their position when served with notice of a "Mareva" injunction requiring them to "freeze" a defendant's assets within their control. The court also held that the purpose of a Mareva injunction was not only to prevent a party to proceedings from removing assets from the jurisdiction, but also to prevent him from dissipating assets within

the jurisdiction. New Zealand Government Pro perty Corp v HM and S Ltd (FT, December 23) tenant who

business remained in possession of leased premises as a tenant after his original lease expired or was surrendered did not lose his right to remove tenant's fixtures when he eventually moved out The Court of Appeal said that that was the correct rule, and contrary statements in textbooks were wrong. Tenant's fixtures were therefore not to be taken into account as part of the demised premises for the purassessing the open market rental value.

The law renorts will recommence the Hilary term on Friday, January 8.

By Aviva Golden

RACING BY DOMINIC WIGAN

FEW HURDLERS are capable of lasting more than 21 miles in a truly run race in testing conditions. For this reason the discerning backer could be in for a profitable time, given a resumption of racing this after-

At the only possible fixture, Towcester, it will probably be safe to ignore all but those with lift this afternoon's modest proven stamina in the two prize without much fuss before divisions of the two-mile, five furlong Longwater Novices Hurdle

In the opening division at 1 m, the most appealing candidate is, surely, Late Night Extra. A mood second in the mud behind Alten Glazed in a National Hunt flat race at Worrester last season. Late Night Extra was running as well as any in similar conditions at the end of Newbury's onening two-mile Speen Novices Hurdle towards the end of November. Not seen since then when he finished fourth behind Lasko

Floko, Late Night Extra will prove the one they all have to beat over this far longer trip. In the other division Sonny May is sure to start favourite

and he, too, is unlikely to be found wanting on the score of stamina. A proven stayer in hefore inining Josh Gifford's prolific Findon establishment, Sonny May was running on in determined style at the end of a 24-runner event over two miles won by My Bonnie Prince at Cheltenham in the autumn. Sonny May should going on to better things.

Now that the novices chase, the two-mile Waterhall, has had to be split, the "value bet from the two divisions looks to be an ex-French trained pros pect in Kalkashanndi.

TOWCESTER

12.30-Gerby 1.00-Late Night Extra** 1.36-Kalkashanndi** 2.00—Gay Invader 2.30-Supreme Vista 2.00--Aldo

3.30-Sonny May*

TELEVISION

Chris Dunkley: Tonight's Choice 10.55 am Songs of Praise from Peterhead, Scotland, †11.30 King Since ITV offers This Is Your Life, a soap opera, Benny of the Rocket Men. 11.40 The Hill, a secondhand American import, the news, two secondhand Hardy Boys and Nancy Drew American imports and Close, and BBC-1 does scarcely any better Mysteries, 12.30 pm News After with a mediocre oddicall war movie (Hannibal Brooks), the Noon. 1.00 Pebble Mill at One. news, and Sportsnight which looks just like ITV on Saturday 1.45 Postman Pat. 2.00 "The Intelligence Men." starring Eric afternoons (tennis, American football and darts), Parkinson and a repeat, tonight's choice is even more clearly than usual Morecambe and Ernie Wise. 3.40 Play It Safe! 3.53 Regional News This also opens with a repeat, but one that is particularly for England (except London). 3.55 Play School. 4.20 Laurel and

worthwhile: Joey, the 1974 "Horizon" programme which first brought to wide public attention the story of Joey Deacon, the man who died last month after spending virtually his entire life in an institution. He stayed 13 years in hospital before mouse. 4.20 Madabout. 4.45 meeting someone who could understand him: another patient Arthur of the Britons. 5.15 Mr meeting someone who could understand him: another patient named Ermie Roberts. With the help of two others they Merlin. laboriously wrote out Joey's life story and later Brian Gibson combined drama and documentary to make that story one of the most moving programmes ever transmitted.

One Hundred Great Paintings moves on to the new theme of processions, starting with a Canaletto from The Queen's collection. The second of the Maestro series is devoted to Barry John who remembers the great days of Welsh rugby 10 years ago. And Dancing Girls follows the fortunes of "Sponooch," a group which split off from Hot Gossip.

BBC 2

7.00 Joes

8.25 Maestro.

9.00 M*A*S*H.

9.25 Dancing Girls.

10.15 Grapevins. 10.45-11.35 Newsnight.

10.20 am Gharbar. 11.00 Play School. 3.55 pm Landscapes of Britain. Vikings! 4.50 Tigris. †5.40 Undersea Kingdom.

6.00 Life on Earth.

6.55 News Summary.

10.30 Michael Parkinson and his midweek guests.

Pasadena: Darts.

11.28 News Headlines.

BBC 1

Hardy. 4.25 Jackanory.

Adventures of Morph.

6.25 Nationwide.

only).

9.25 Sportsnight:

5.40 News.

Take Hart. 5.0 Newsround. 5.05

The Story of the Treasure Seckers. 5.35 The Amazing

6.00 Regional News Magazines.

6.50 Rolf Harris' Cartoon Time

7.20 The Wednesday Film: "Hannibal Brooks," star-

(London and South East

ring Oliver Reed and Michael J. Pollard.

American Football from

11.30 Now Get Out of That,

All IBA Regions as London except at the following times:

11.00 am Thunderbirds. 11.50 Wattoe. Wattop. 120 pm Anglia News. 5.15 Happy Days. 6.00 About Anglia. 11.15 The London Programme—Young Down The Landon Programme-Young Dind Outs, 11,55 The Big Question BORDER

11.09 em Sesame Strest. 1.20 pm Border News. 5.15 Out of Town. 6.00 Lookaround Wednesday. 11.15 Hear. Heer. 11.30 Border News Summary. CENTRAL

11.00 am Something Different. 11.15
The Story of Max and Montz. 1,20 pm
Central News. 5.15 Diff rent Strokes.
6.00 Crossroads. 6.25 Central News.
11.15 Nana Mouskouri in Concart.

CHANNEL

1.20 pm Channel News, What's On Where and Weather, 5,20 Crossicads, .00 Channel Report, 8,30 Balley's 6.00 Channel Report. 8.30 Balley's Bird, 10.28 Channel Late News, 11.15

Samey Mile: 1.45 Pans by Night, 12.10 am Spilogue followed by News and Weather in French.

GRAMPIAN

9.25 am First Thing. 11.00 Sesame
Street. 1.20 pm North News. 5.16
Frivate Benjamir. 6.00 North Tonght
and Area Weather Forecast, 12.20 am

GRANADA 11.00 am Sesama Street 1.20 pm Granada Reports 2.00 Live from Two. 5.15 Private Benjamin. 6.00 Granada Reports. 6.25 This is Your Right. 11.20 In Concert: Kr.s Kristofferson and Anne

HTV 11.00 am Sesame Street, 1.20 pm HTV News, 5.10 Ask Oscar! 5.20 Crossroads, 6.00 HTV News, 6.30 Definition, 10.28 HTV News, 11.15

Star Parads. HTV Cymru/Wales—As HTV West except: 12.00-12.10 pm Fiziabalam. 4 15 Y Rhellfordd Guid. 4.45 Our Incredible World. 5.10-5.20 Dick Tracy. 6.00 Y

Dydd. 6.15-6.30 Report Wales.

8.13 One Hundred Great Paint-

SCOTTISH

11.00 am The Amazing Years of Cinema. 11.25 Land of Birds. 11.50 Bubbies. 1.20 pm Scottish News Headines and Road and Weather Report. 1.30 Farmhouse Kirchen. 5.15 Pet Subject. 5.20 Crossroads. 6.00 Scotland Today. 6.20 Action Line. 6.30 Vish You Were Here. 11.20 Late Call. 11.25 In Concert—Cher.

TSW

71.00 am Spreed Your Wings. 11,30
Call it Mecaroni, 11 56 Wettoo, Watton.
1.20 pm TSW News Headlines. 5.15
Gus Honeybun's Magic Birthdays. 5.20
Crossroads. 6.00 Today South West.
6.30 Scene South West: A Day in the
Life. 10.32 TSW Late News and
Weather. 11.15 Barney Miller. 11.45
Paris by Night. 12.10 am A Carol for
Christmas. 12.15 am South Wast
Weather and Shipping Forecast. TVS

11.00 am Popeye Carsoon. 11.10 Bailey's Sird. 11.35 Abba Words and

Music. 1.20 pm TVS News. 8.15 Watch This Space. . . 5.30 Count to Count. 6.00 Count to Count (cont), 11.20 Hallelujah Hollywood.

LONDON

930 am Schools Programmes

11.00 "Francesca Baby." Marring Carol Jones. 11.50 Barney Google

and Snuffy Smith. 12.00 The

Munch Bunch. 12.10 am Rainbow. 12.30 Play It Again. 1.00 News, plus AT Index. 1.20 Thames

News with Robin Houston. 1.30

Take the High Road. 2.09 After

Noon Plus (THS) presented by Mary Parkinson with Kay Avila

2.45 The Kilnsey Show (Film of

the Kilnsey Show that has been held during the Angust Bank

Holiday every year since 1897).

3.45 About Britain. 4.15 Danger-

News

6.25 Help! with Viv Taylor

7.00 This Is Your Life:

8.00 The Benny Hill Show 9.00 Best Sellers: Rock Hud-

10.30 Best Sellers: "The Star

11.20 Sugar Ray Robinson: Pound For Pound.

12.20 am Close: "Sit Up and Listen" with Steve Race.

† Indicates programme in black and white

<u>Maker" (continued).</u>

son and Brenda Vaccaro

in "The Star Maker," Part

5.45 News.

16.00 News.

6.00 Thames

Gee.

6.35 Crossroads.

7.30 Coronation Street.

" Angel."

TYNE TEES 9.20 am The Good Word. 9.25 North East News. 11.00 Bachman-Turner Overdrive. 17.50 European Folk Tales. 1.20 North East News. 1.25 Where the Jobs Ars. 5.15 Mork and Mindy. 5.00 North East News. 6.02 Crossrpads. 5.25 Northern Life. 10.30 North East News. 11.20 Pavilion Folk. 11.50 Man of Loveds.

ULSTER

1.20 pm Lunchma. 4.13 Utstar laws 5.15 Hear Here. 5.30 Good vening Utstar. 5.00 Good Evening Utstar. 10.29 Utstar Weather. 11.20

YORKSHIRE 11.00 am Story Hour. 11.55 Wattoo Wattoo. 1.20 pm Calendar News. 5.15 Privata Benjamin. 8.00 Calendar (Smlay Moor and Balmont aditions). 11.15

Gardeners' Question True. 10.30 Daily

(S) Stereophonic broadcast # Medium Ways

RADIO 1
5.00 am A3 Radio 2. 7.00 Mike Read.
9.00 Simon Baies. 11.30 Dave Lae
Travis. 2.00 pm Paul Burnett. 3.30
Steve Wight. 5.00 Peter Powell. 7.00
Redio 1 Mailbag. 8.00 Richard Skinner.
10.00-12.00 John Peel (S).

FADIO 2

5.00 am Stove Jones (5), 7.30

Tarry Wogan (S), 10.00 Jimmy Young (S), 12.02 pm Cricket Dask, 12.03

John Dunn (S), 2.00 Ed Stowart (S), 4.00 David Hamitton (S), 5.45 News; Sport, 6.00 David Symonds with Much More Music (S), 8.00 Alen Dell with Dance Band Days, 8.30 The King's Collection (S), 9.00 The Folk Entertainers (S), 9.30 Sounds of the Sun (S), 9.56 Sports Desk, 10.00 Tom Monard Ich's Local Tales, 10.15 The Baby Grand Song Factory, 10.30 Be RADIO 2

RADIO 3

RADIO

My Guest says lan Wallace (S). 11.00 Brian Matthew with Round Midnight. 1.00 am Truckers' Hour (S). 2.00-5.00 You and the Night and the Music (S).

6.55 am W/cather, 7.00 News. 7.08 Your Midwest Choice (5), 8.00 News. 8.05 Your Midwest Choice (continued), 8.00 News. 9.05 This Week's Composer; 9.00 News. 9.05 This Week's Composer:
Mendelssohn (5). 10.00 Orlando
String Quartet (S). 11.00 Georges
Enesco piano recital by John Ogdon
(S). 11.40 Divorak and Besthoven (S).
1.00 pm News. 1.05 Concert Hell
(S). 2.00 Music Weekly (S). 2.50
BBC Welsh Symphony Orchestra (S).
4.00 Choral Evensong (S). 4.55 News.
5.00 Mainly for Pleasure (S). 7.00
Up at the Big House. 7.30 Haydin and

Mendelssohn piano trio recital (5). 8.15 BBC Symphony Orchestra in Paris, part 1: Webern, Boulez (5):345 Six Continents, 9,05 BBC Symphony Orchestra in Paris, part 2: Boulez (5). 10.30 Beowulf (third of six readings).
11.00 News. 11.05 Thomas Telhs (S).
11.15 Brahms plane recited. 12.001.30 am The Russian Orthodox Christmas Eve Service.

Medium Wave as VHF except: 6.4011 00 am Cricket: Fourth Test, England India from Calcutta.

RADIO 4
6.00 am News Brisling. 6.10 Ferming
Today. 6.25 Shipping Forecest. 6.30
Today. 8.45 The Widowsr by Georges
Simenon, 9.00 News. 9.05 Midweek
with Henry Kelly. 10.00 News; 10.02

Service. 10.45 Morning Story, 11.90 News. 11.06 Baker's Dozen (5). 12.00 News. 12.02 pm You and Yours. 12.27.

Around the World in 25 Years (5),
12.55 Weather, programme news. 1.00
The World at One. 1.40 The Archers.
1.55 Shipping Forecast. 2.00 News.
2.02 Woman's Hour. 3.00 News. 3.02
Alternoon Theatre. 3.50 Zoo Talks.
4.00 Elisabeth Soderstrom presents
music on the theme of spring (5),
4.45 Story Time. 5.00 PM: News Magazine. 5.50 Shipping Forecast. 5.55
Weather, programme news. 6.00 News.
6.30 My World (5), 7.00 News. 7.05
The Archers. 7.20 Aspects of the
Fringe. 8.00 The Two-Edged SwordA Question of Security, 9.30 Kaleidoscope. 9.53 Weather. 10.00 The World
Tonight (5), 10.30 Quots : Unquote
(5), 11.00 A Book at Bedtime. 11.15
The Financial World Tonight.
Unforgettables. 12.00 News. News. 12.02 pm You and Yours. 12.27

By Kevin Done in Frankfurt

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Energy Review: German energy policy

Spreading the risks more thinly

SOURCES OF WEST GERMAN ENERGY

knowing weer to scratch before for the transfer of wealth that it starts to itch." said a West is occurring because of the bur-Jerman Ministry official in an aside as Around 20 per cent of the the Government revealed its re- country's exports are needed to vised energy programme re- pay for the energy import bill cently, the first comprehensive against 11 per cent in 1978 and Coal re-statement of policy since

Having twice been caught scratching in the wrong place since the first oil crisis in 1973-1974, however. Bonn has learned its lesson. The country's overwhelming dependence imported energy, the Achilles heel of the West German economy remains, but the Government has given up its vain attempts at quantifying the Republic's future energy needs.

Bonn discovered, belatedly, the fally of wandering into the minefield of energy forecasting, but it has been powerless to disguise the vulnerability which arises from the Federal Republic's need to import nearly two-thirds of its energy requirements. With a poverty of domestic natural resources the massive increase in the price of energy over the past eight years has bitten into the country's deeply prosperity.

Last year as much as 5 per cent of West Germany's gross

Energy accounted for 23 per cent of all imports

national product will have had to have been spent on net energy imports compared with 4.3 per cent in 1980. 3.4 per cent in 1979, 2.4 per cent in 1978 and only 1 per cent in 1972. The net energy import bill is expected to have risen to around DM 75bn (more than against DM 64.6bn in 1980. In 1978 the bill for energy imports (net) totalled DM 31bp and in 1972 it amounted to only DM

A surplus of DM 18.5bn on the current account in 1978 was transformed into a deficit of nearly DM 30bn in 1980 — there was a deficit of DM 23.4bn in the first 10 months of 1981. According to the Bundesbank, the West German central bank, blame for more than half of the "swing of DM 48bn between 1978 and 1980 can be placed at the door of higher energy prices.

West Germany lives largely on its ability to export manufactured goods. Today the workforce that produces those goods is unmistakable. is having to accept a lowering

FORECASTING is the art of of its living standards to pay Federal Economics den of higher energy prices. only 6 per cent in 1972. Energy imports in 1980 cost Natural gas

DM 77bn—offset by energy exports of less than DM 13bn -and the cost of imported energy was expected to rise to some DM 90bn last year, despite a significant cut in volumes. Energy accounted for 23 per cent of all West Germany's imports in 1980 compared with only 9.5 per cent in 1972, Since the first oil crisis Bonn

has given a clear priority in its energy policy-making to reducing the dangerous dominance of oil in the economy. At the same time it has committed itself strongly and at considerable expense to expanding the role of coal-especially domestic coal -and to cutting energy waste through encouraging ment in energy conservation and in measures to ensure the more efficient use of fuels.

These polices—pursed steadfastly enough since 1974—have been accompanied by an often wavering commitment to nuclear The credibility of the whole policy edifice has been undermined and the Government's real commitment to cutfing oil imports thrown into doubt by its uncertain handling of the nuclear issue.

The stumbling in Bonn has been thrown into a particularly sharp light by the success of reighbouring France in pursuing the nuclear alternative

The anti-nuclear opposition in

the Federal Republic has lost none of its force-witness only the violent clashes at the construction site of the Brokdorf nuclear power station in northern Germany last year-but Bonn has clearly decided that the time has come to start steering the country firmly back on the nuclear track. The delays of the last six years will never be made up, but at least the much slower than expected growth in energy demand has reduced the penalty for procrastination.

The Government's revamped energy policy is in many respects merely the old mixture as before, but not on the nuclear issue. The language is couched with care so as not further to arouse the antinuclear lobbies in the parties of the ruling Social Democrat-Free Democrat coalition. The bassages on nuclear .energy were changed most often before the policy document received Cabinet approval-but the new commitment to nuclear power

Gone is the formulation of

1973 total energy DOMESTIC 19.7 37.3 31.7 8.3 21.9 19.9 5.8 9.6 6.8 2.5 6.4 7.7 1.8 144.3 138.2 Total domestic 38.1 **IMPORTS** 199.3 178.7 \$2.7 Natural gas 16.6 44.4 4.4 3.9 14.4 1.0 Coal 9.5 10.7 2.5 2.7 4.9 3.8 1.3 1.0 234.2 252.0 67.9 64.6 TOTAL 378.5 390.2 100.0 100.D

the last energy programme which spoke only of a "limited expansion of nuclear energy ... if the means of reprocessing and waste disposal are adequately safeguarded." There is also no trace of FDP and SPD party conference resolutions which in the late 1970s bound the parties to allotting to nuclear energy no more than the role of meeting "residual demand," and which asserted that the option should be opened of abandoning nuclear energy altogether.

The Government's newly discovered zeal for the nuclear cause appears to derive from its growing concern that the competitiveness of German industry could be audangered if power prices in the Federal Republic rise way above levels in neighbouring countries.

Companies in the energyintensive chemicals sector, one of the main pillars of German industry, have already com-plained that they are forced to pay 25 per cent more for electricity than their nivals in France. Bonn's revised energy programme admits that "a larger

constribution from favourablypriced nuclear power would strengthen the competitiveness of German industry. . . . The present contribution of nuclear power as well as planning and building lead-times do not meet the demands of energy and industrial policy. . . . There are clearly fewer base-load power stations available today for generating power at favourable costs around the clock than are necessary in the interests of holding power prices at internationally competitive levels."

The Economics Ministry esti-

Source: West German Coal Industry Federation mates that there is a shortage of as much as 9,000 MW of base-load capacity. virtually no potential for ex-pansion of the other two sources of base-load power, lignite and hydro - electricity, which appears to leave little afternative to building more nuclear power stations.

The Government has refused to set any formal targets, having been proved so wrong in the past. In 1974, when it first set about revising its energy programme in the wake of the oil crisis, it worked out itself all the estimates for future energy supply and demand. By 1977 and the second up-

date, it had been sufficiently

chastened to hand the main providing only a base with its its own broad assumptions for future economic growth. This time Bonn shied even at this responsibility and gave the institutes an entirely free hand, loudly disclaiming all rights to accompany its policy document. In its first revised energy programme, published in 1974. Bonn was sufficiently foolbardy to set the ambitious target of having 45-50,000 MW (megawatts) of nuclear power

1985.

programme has been thrown

hopelessly off course and the best that can be hoped for by 1985 is an installed capacity of 18,000 MW West Germany currently has some 9,000 MW of nuclear capacity in operation, generating around 13 per cent of the country's power needs and accounting in the first nine

installed by

95 court hearings that have been under way since 1977. 5.1 The authorities and the nuclear industry still face considerable obstacles in completing this programme and in pushing through projects in other parts of the nuclear fuel cycle. A site is still to be found for the country's first plant for reprocessing spent nuclear fuel,

permission is still to be given for the building of the first interim storage site for nuclear waste, and the DM 8.4hn advanced reactor development programme involving the construction of the controversial fast breeder and high temperature reactors is threatening to grind to a halt through shortage of finance arising from massive delays and a horrendous escalation of costs. The nuclear programme is

certainly not out of the wood yet, and it remains to be seen if recent executive moves to streamline the regulatory procedure will have any practical impact on building times, but Chancellor Helmut Schmidt can certainly claim that the Government's support for the expansion of nuclear power is now unequivocal. Bonn can claim success. too. on other important blackmail parts of the energy front. Substitution through other from Moscow

fuels, chiefly coal and gas, progress in energy saving and weak economic activity has helped to push back the share of oil in 1973, with North Sea oil now total primary energy consumption to around 45 per cent last energy forecasting job to a year compared with 47.6 per group of economic institutes, cent in 1980 and a peak of 55.2 per cent in 1973, Oil consumption was down by about 13 per cent last year, and the volume of crude oil imports has fallen by 19 per cent. (Higher prices still ensured a 13 per cent rise : will jump from around 17 per in the crude oil import bill to cent to some 30 per cent by the authorship of the forecasts that DM 41.25bn in the first 10 months of 1981, however.)

West Germany has also managed to break the old matching link between economic growth and growth in energy demand. From 1973 to 1980 primary energy consumption increased by only 3.1 per cent, while the Federal Republic's GNP grew in real terms by 17.5 per cent.

West Germany has succeeded, too, in halting the apparently irreversible decline in the outirreversible decline in the out- of how exposed the jugular vein put of coal, the only abundant of West Germany's energy domestic source of energy. Proven reserves of coal at more than 24bn tonnes could last 300. Bonn can only seek to spread months of 1981 for 4.8 per cent years at current production them a little more thinly.

of primary energy requirements. rates.) Restoring the industry's A further 11,200 MW of capacity fortunes is proving a costly is under construction and work process, however—the fall in output was arrested in 1979, the on another 1300 MW reactor at end of a long decline since the Wyhl near the French border mid-1950s, and production has has been stopped by the local stabilised at around 90m tonnes utilities pending the outcome of of coal equivalent (tce)-but the idnustry swallowed DM 6.3bm in state financial aid in 1980.

> The tightening squeeze on public expenditure can hardly allow continuing support on this scale and investment subsidies already have been chopped to only DM 150m in this year's federal budget compared with a level of around DM 800m in the late 1970s. The industry has warned recently that aid at this level will jeopardise its ambitious plans for pushing production back up to around 100m tce a year by the end of the century.

The door was opened last year, however, to a gradual increase in coal imports, and West Germany has also had success in diversifying its existing sources of imported energy. The share of the Opec (Organisation of Petroleum Exporting Countries) states in West German crude oil imports has been cut to around 73 per cent compared with 96 per cent in

Open to political

meeting 20 per cent of supplies. The signing of the controversial new natural gas supply contract with the Soviet Union last November is also seen by Bonn as a further diversification of its overall energy supplies. The share of Russian gas in the country's consumption late 1980s, but the share in total energy demand will increase only from 3 per cent to just under 6 per cent. (The Soviet Union also currently supplies about 50 per cent of West Germany's uranium enrichment services and about 3 per cent of its crude oil needs.) The opposition to the deal

aroused in the U.S. because of the military takeover in Poland and fears of Bonn being laid open to political blackmail from scow is a graphic reminder supplies remains, however. The risks can hardly be reduced

THE MANAGEMENT PAGE

Why ITT finds that being big is not big enough

Ian Hargreaves, in a second article on the U.S. conglomerate, examines the prospects for its core telecommunications business

INTERNATIONAL Telephone pulled out of South African and Telegraph has a couple of Telecomms "for political big problems in its core business reasons." of telecommunications. One of

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This may seem an odd remark total group sales of \$23.9on and gave what is the world's largest ties created by the convergence industrial conglomerate about of telecomm and computer 9 per cent of the world market technology. in telecommunications equip-

But it is true in the sense that, unlike its major competitors - such as Sweden's Ericsson, West Germany's Siemens, Western Electric of the U.S., and Nippon Electric of Japan-ITT does not have a single market in which it can claim

In Europe, ITT is present in aknost every country, but usually as the number two supplier to a national competi-Where it is number one, as in Spain and Belgium, there is always the uneasy fear that some day politics; as is happening in France, will dictate that ITT be roubed of its leadership.

In the U.S., ITT has the problem of living beneath the shadow of a dominant carrier and supplier (AT and T and its manufacturing subsidiary. Western Electric) without the compensation of running a strong second. It has under 2 per cent of the switch market, even with the business it bought by acquiring North Electric from United Telecommunications in 1978. In the telephone message business, which ITT entered only recently, the company is doubling in size every year, but it still has less than half a per cent of the market.

And as the slow march of deregulation continues, ITT is not only up against the jugger-nauts, like AT and T, it is also being jostled by a pack of com-petitors, many of them like MCI Communications and Rolm, young, frisky, and single-minded.

Outside of the two largest decomm markets in the world, III also has some problems. It recently withdraw in frustration from the Brazilian market, selfing its remaining 49 per cent stake in Sesa Rio, rather than stump up the \$35m needed to STC, long a member of the meet demands being made by elite band of suppliers to the the Brazilian Government. Into Post Office, must also now that breach has leapt Nippon show how it can adapt to more Electric, an old foe and a com-competitive forces following the pany in which FIT once had a liberalisation of the market for 15 per cent stake. TTT has also subscriber equipment.

That leads to ITT's second them is that the company is too big problem: how do you formulate one strategy to fit three quite different market positions to make about an activity that and, moreover, how do you do in 1980 generated \$7bn of ITT's it and at the same time make sense of the broader opportuni-

At the moment, IIT does not have an exact answer to this question. It has fragments of an answer and is prepared to offer hints as to how they may or may not one day be. assembled into a global strategy.

The firagments are: Europe. Here at least, intentrons are clear. IIT believes it can hang on to its traditional market shares in the major European markets (30 per cent in Italy, 25 per cent in West Germany, 16 per cent in France, 65 per cent in Spain and 75 per cent in Belgium—in Britain. ITT has a share in British Telecom's rival System X switch) by selling its electronic, digital developing at a cost of over

Disjointed

However, this belief must be gauged in the light of the diffi-culties ITT has experienced in trying to catch up in the market for advanced electronic system convinced them other-exchanges and which highlight wise. But there was further vividly the problems associated with being a widely spread international group. Its efforts have been disjointed and have led to two of TTT's largest European subsidiaries becoming committed to two different systems which may well compete on the world market in future years.

ferred the technology it had The most striking example of this fragmentation of effort is development Telephone and Cables, ITTs UK offshoot, to System X rather than ITT's own System 12. STC Gibbs made the big decision, Standard Elektrik Lorenz, is one of three companies involved in the development of ITT's West German comthe system for British Telecom. pany, had already submitted The other two are General Electric Company and Plessey. 12-30, for an Austrian bid.

(TT 400— and Electronics Group) --pre-tax profits

The fragmentation that has been as much in evidence in ITT's nunications activities as in the group as a whole has sented Fred Gibbs, head of this part of the conglomerate's business with a number of dilemmas. The independence given to overseas subsidiarles, particularly in Europe, has at times resulted in product development programmes running along

The late start in advanced normal one third share of the

electronic exchanges stemmed Austrian market only if it can from the refusal of ITT's get a deal to build a Siemens get a deal to build a Siemens engineers to accept, until five switch under licence. years ago, the need for a digital There is widespread agree-(rather than an analogue) ment among informed observers, approach to switch technology. (The advantage of digital is however, that System 12-40 is it breaks telephone as good a switch as any on the messages up into more accurate. market, although its special faster computer-type codes.) distributed logic feature, which The success of Ericsson's Axe permits a customer to buy switching power gradually in wise. But there was further add-on modules, has yet to prove confusion as ITT engineers on itself in terms of market appeal. each side of the Atlantic worked on rival versions of the System 12, a duplication of

Dominant

effort ended in 1979 by Fred Gfbbs, who had just been But Gibbs is confident. He appointed head of the telecoms forecasts that by 1986 ITT will be selling 6.24m lines a year. business. He cancelled the American programme, but transwhich 3.75m will be the System 12 family. He also rejects developed—a distributed logic the argument that ITT's number switch-to Europe for final two role in Europe is a weak-For a multinational, I think it is better to be number hesitation was that by the time two than it is to be number

He does not believe that the gradual French takeover of ITT's telecomms business in the European design, called the that country (the final 16 per cent is about to be nationalised) When ITT withdrew its 12-30 would have happened had ITT and tried to re-offer the 12-40 not been the dominant company to the Austrians, it was told it in the early 1970s.

was too late. ITT now faces the The U.S. Here lies the bigrather humiliating prospect of gest question mark. ITT, through its purchase of North being able to maintain its

separate lines with different versions of the same product emerging and, even more extreme, the UK subsidiary committing itself to a product rivalling that developed elsewhere in the group. Now, while trying to establish greater cohesion, the telecommunications business is beginning to find itself more exposed to competitive forces in some traditional markets.

for a major assault on the U.S. switch market, thus providing the key to a solidly profitable base for its other telecomm equipment sales in the U.S., which range from telegraph poles to telephone handsets and PABXs. Essentially, ITT has to

sell System 12 to AT and T. Today, Rand Araskog, ITT's chairman, is very blunt on this subject. "I don't think we are going to sell major systems to them unless there is legisla-tion." The deregulation legislation now before the House of Representatives includes a provision to force AT and T to buy 30 per cent of its supplies from outside its own group companies. But a Senate version of the bill is silent on this subject. If ITT does not get its way. says Araskog, he considers the U.S. market "very dubious."

At present Western Electric makes 90 per cent of AT and T's switches and the other major phone companies—apart from AT and T-like GTE, also have their own in-house supplier.

At the same time as Araskog says these things, however, his engineers are working to upgrade a less sophisticated version of System 12, the 12-10. developed at North Electric, to that cannot be justified just for This, he says, is vital to the

Electric, was positioning itself North Electric's business, 60 per cent of which is still with its old parent, United Telecomms. Other markets: ITT will con-

tinue to export about 25 per cent of its European switches to third markets and will also continue to form joint ventures in larger developing world markets, such as South Korea, and Taiwan.

When it comes to communications services, ITT's base for action is ITT Worldcom, the leading U.S. international telex carrier, with 35 per cent of the

That base has already been expanded, as deregulation occurs, to take in inland U.S. telex services, trunk telephone services and eventually, says George Knapp, head of Worldcom, international voice traffic. Knapp thinks that international voice (now an AT and T monopoly) will be deregulated and that because of its already strong ties with the European telephone companies, ITT is a natural number two in this market, perhaps as a common carrier for some of the other, smaller telephone companies, such as MCI.

Worldcom, says Knapp, is also working hard on the technology connecting compatible streams of computer language 12-40 standards. Financially, and solving other problems.

development of high margins are its considerable micropro common carrier functions.

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But Worldcom, even in its dramatically expanded form, is only part of ITT's thinking about communications services.

Araskog has recently appointed Robert Braverman to head a group which is designed to draw together the strengths of Worldcom, ITT's publishing Who and other books) and its vocational training services.

Braverman sees ITT becoming kind of communications master-contractor, building up ownership of, or access to, vast data bases and transmitting the goods to customers on ITT lines. Eventually, he says, ITT could, for example, be running the entire communications function of other companies.

TTT, says Braverman, is probably the only company in the world able to offer a mix of central office switching (main public exchange) equipment, telephone hardware, main-tenance, data bases, training and access to its own international communications

The obvious missing piece in all this, however, is data pro-cessing. ITT sells home computers manufactured by a West German company in Europe (it used to sell Apples, until it fell out with the Californian company) and tucked away in Europe it has a collection of companies which together form the tenth largest semiconductor business in the world. But so far, IIT has fought shy computers and of the kind of equipment that will be needed for communications within the electronic office, downstream from the PABX, in cases where

Expertise

"We are not going to duck the data processing field out of any fear of it," says Araskog, who, in 1978, conducted a serious hunt for a manufacturer of computers. One of the companies he looked at, although never talked to, was Wang Laboratories. "It would take something like that to be attractive to us as opposed to building on what we have now," he says.

What ITT has now to build on Friday.

services, as opposed to simple cessor expertise in West Germany and the UK, a new software research centre in Shelton, Connecticut, and two U.S. companies bought in 1978: Qume and Courier.

makes high-speed printers for word processors and Courier makes video display

screens for IBM. These two companies, says Araskog, are now developing interests (which include 'phone long-range plans, the details of directory yellow pages, Who's which he will not disclose, to diversify from their existing products. "At some point they will come more together, particularly in relation to the planning and software activity going on at headquarters level," he

> That is safely vague and stops well short of the acceleration into advanced electronics products which some ITT critics But for the moment, Aras-

> kog is playing it cautiously. He obviously wants to see the outcome of the deregulation decision. He also needs to become clearer on whether ITT will pull off a major divesti-ture, whether of the forest products division currently on the block or something else. The proceeds of such a sale would mainly be used to pay off debt, but could also lead to a significant acquisition. Yet another financial possibility, says Araskog, is to float off the new Braverman group, complete with Worldcom, as a separate

company. So, ITT-watchers are left with fragments. Their comfort, perhaps, should be that ITT's caution thus far has been rewarded with a steady stream of profits (normally a third of ITT's total) from telecommuni-Having seen the consequences

the disastrous efforts by the PABX is the nerve centre. Northern Telecom, Canada's leading manufacturer of public telecommunications equipment. to break into the electronic office, ITT is not about to follow suit. But there is little doubt that telecommunications. the bedrock upon which Harold Geneen built his conglomerate. will be there at the base of ITT for a long time to come. That is something which cannot be said with certainty for any other part of ITT.

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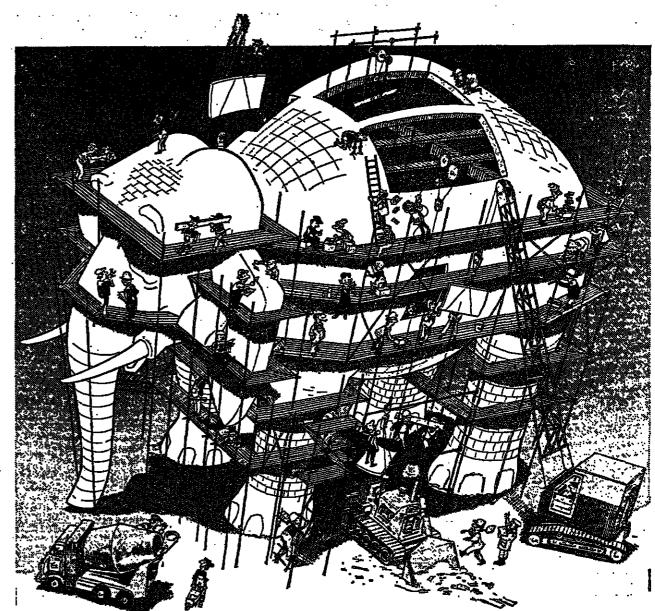
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Position.

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'Supermicros' move in to oust business mini-computer systems

Low cost computer power for all

By LOUISE KEHOE in California

posedly will increase the procomputer systems — is being ductivity of the white collar holding vastly more data than ductivity of the white collar holding vastly more data than ductivity of the white collar holding vastly more data than ductivity of paper passing from hand to use. 16-bit microprocessors. These hand. called, promise low cost com- several things in common that "supermicros" as they are puting power for everyone from place them apart from today's the one-man business up to microcomputers.

boards, using several dozen about five people can share a logic chips. Microcomputers, on the other hand, are usually based on a standard microcomputer chip, such as those produced by Intel and Motorola. and require less additional circuitry. The software that makes a microcomputer run is similarly becoming standard-

Peripherals

Minicomputer makers have designed their own proprietary 'operating systems"—programs that control the basic computer function-while microcomputer builders are chosing from one of the standard operating systems available from software

"Supermicros" are beginning to make their appearance in the U.S. Some are selling to Original Equipment Manufac-turers (OEMs) who will build-the computer unit into business systems with keyboards and video screens. Others come ready for the user with all the peripherals already in place.
All of them are aimed at the still nebulous "office of the

Floppy diskettes

-WESPAC has introduced a re-cusable mailing cover for 53; anch and standard 8 inch

diskettes known as the "Wespac Floppy Mailer." It is available in multiples of 10

at 48 pence for the 8 inch ver-

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posedly will increase the pro-

The supermicros all have departments of large companies important perhaps, is that they Minicomputers are built out are designed to be used by more than one person—usually up to heards

machine. Eight-bit microcomputers, immediate predecessors of 16bit machines perform poorly when serving three or more

Taking multiple use one step further, several of the machines can be converted to networks. These networks of machines could link several microcomputers, maybe a couple of printers, and a larger computer holding a huge data base.
Sixteen-bit processors perform

more than twice as fast as the S-bit micros used in most personal computers because they can get access to twice as much data per instruction as an 8-bit machine, and because their internal storage capacity is higher. This cuts down on the number of times the system has to swap data between the internal memory and the disc

The business versions of the mini-Winchester disc, a small, based multi-user systems is business computer market, same period she calculates, a new storage device called a popularity of the microcomputer Bandwidth method sheds decimal points

ence in Geneva, a new method of specifying the category and bandwidth of radio transmis-

sions came into effect on

also does away with decimal

THE MINICOMPUTER - the future," in which computers sup- hard magnetic disc hermetically

capability at micro prices, boasts David Jackson, President of Altos, a San Jose California company that last year sold \$21m worth of small computers for business use. "Our introduction of a 16-bit machine leapfrogs the personal computer companies like Apple and Radio Shack to take on DEC and Data General," he claims.

The Altos machine will sell to systems integrators for Impact \$12,990. when it is equipped with 512K bytes of built in semiconductor memory and a 10m byte hard disc data store with floppy disc backup enough to satisfy most small business requirements. Up to eight users can share the processing power of the system by plugging in additional terminals. "Most 16-bit minicomputers cost two or three times as much with the same performance," Jackson claims.

Microcomputer suppliers are clearly becoming the leaders in bringing the benefits of new the chology to small business and professional applications traditionally the domain of · According to Wickham, one

new microprocessors are using of the chief reasons for the

computer operating systems used in several popular percomputers (but not

Apple). CP/M, which is sold by Digital Research, a California software company, has fuelled the growth of small business systems, agrees Bruce Winer, marketing manager products at Zilos.

"It has provided a commons operating system base on which applications can be built," he says. The new version of CP/M for 16-bit machines wil lallow more than 1,000 business applications programs already available to run on more powerful microcomputers.

Another company that is Market making an impact on the business microcomputer market is Conversent Technology of Santa Clara, California. Conversent has signed marketing agreements with Burroughs and NCR which will use the Conversent microcomputers as the basis of minicomputer-based small computer systems vendors," says Bob Wickham, a vice-president of Vector Graphics, another small business system vendor.

In their new ranges of small business systems. Three Rivers Company of Natick. Massachusetts, has licensed Britain's ICL to manufacture its supermicro built around a Motorola 68000 microprocessor.

Three mandatory symbols are

their software compatibility Fortune Systems, a new comwith the more than 500,000 pany based in San Carlos, Cali-CP/M based single user systems formia, will sell its first product now in use. CP/M is one of -a desktop microcomputerthe most widely used micro-through computer retail stores. The Fortune 32:16 is built around a Motorola 68000 16-bit microprocessor. The system looks much like a personal computer. But according to the company, it can handle all the requirements of a one-man office or can be expanded or net-

worked for larger offices. Fortune has adopted the UNIX operating system — a system designed by Bell Labs and used in several minicomputer systems. The basic unit, which includes a floppy disk drive, keyboard and video display, will sell in the U.S. for under \$5.000. Extras include a Winchester disk, and extra internal memory. Software available covers the standard business applications.

Fortune and Altos are among the companies that will shake up the small business computer market, according to Jean Yates, a market analyst at Gnostic Concepts of California She predicts that sales of personal and desk top computers priced under \$6,000 will total \$5bn by 1985.

The market for higher performance machines costing any thing from \$6,000 up to \$60,000 (for multiple terminal installa-At the low cost end of the tions) will reach \$7bn over the

It was, however, compiled a



Dr Victor Temple, a physicist and inventor of the circular

patterned silicon wafer inspects an example at GEC of the U.S.

cables rather than the conven- built-in limiting resistors to tional gate current has been prevent the rise of damaging developed by General Electric currents that can occur when Company of the U.S. and only a small region of the promises to lower the cost of thyristor is activated—which current power transmission signal of a light pulse.

significantly.

operating high voltage direct can occur with the weak The device may cut the cost

The design, developed under of AC/DC conversion equipthe sponsorship of the Electric ment needed at the two ends Power Research Institute, of a HVDC line, thus making it anows the device to carry large economical to use much currents while itself consuming very little power—the moment they have to the moment they have to be reducing overall



Solid state pressure transducer element

MOTOROLA has reached the sampling stage with a new solid state pressure transducing element and a complete opera-tional module, both likely to be the subject of a high volume,

low cost production.

The basic element uses a semiconductor strain gauge device operating on the piezoresistive principle. It gives direct voltage as a function of pressure and needs no closely matched associated components or Wheatstone bridge arrange-

It is claimed that the gauge is highly accurate and stable, giv-ing an extremely linear hyster-

esis—free output voltage.
Three forms of the development are to be made available: the discrete uncompensated element, a printed board assembly that gives a high level temperature compensated output, and a module that can be used in harsh environments such as that under the bonnet of a car. At 3 volts excitation, the output of the transducer element is typically 60 millivolts for a one atmosphere pressure dif-ferential. More on 01-902 8836.

Six-colour

SIMON-VK of Cheadleheath, Cheshire, has developed a six colour flexograph process for printing laminates and ovenable paperboards. The unit is able to print four faces on one side shorter lines of this kind. At and two on the other or six the moment they have to be faces on one side. More from Simon, PO Box 31, Stockport, Cheshire (061-428 3600).

process

Sony wins £1.5m NatWest cassette order SONY HAS won a contract this is the largest single order video as the major method of

worth £1.5m for 1,000 video placed for this type of equip communications for its 63,000 cassette recorders from National The bank intends to use employees in the UK. Westminster Bank. It claims



With the everincreasing demand highly cost-effective means of reaching Europe's top for prime commercial space in the decision makers. And, when you are talking assets, the U.K. and overseas, finding the right Financial Times will probably be your greatest. property is an asset to any company. Each Friday, the Financial Times publish their Property Pages, filled with up-to-date information and analysis of current trends in the property market. They are essential to any

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STEMMING FROM a decision modern frequency management or 24 MHz for example, becomes waterproof chart that can be made at the 1979 World systems based on computers. 24MO.

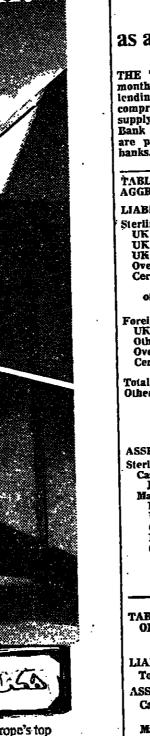
Administrative Radio Confer However, the carrier frequency Three itself will continue to be stated to be used to describe the class little too late to include another in the usual way.

A four character code is used megahertz and G for gigahertz. information The letter is placed where facsimile, data, speech or video).

of transmission. The first describes the type of modulation, the second describes the nature of the second describes the second describes the nature of the second describes the for bandwidth of which three of the signals modulating the a radio station, it is understood, Apart from reducing these two parameters to capital letters and numerals only, the system and numerals only, the system and numerals only, the system and numerals only the deficit of the signals modulating the carrier (number of modulation will not be stated in watts, kilowatts, but will be channels, whether they are significant figures). Letters and numerals only, the system analogue or digital) while the given in decibels referred to the state of the signals modulating the same numerals of the signals modulating the same numerals of the signals modulating the same numerals of the signals modulation will not be stated in watts, kilowatts of the signals modulation will not be stated in watts, kilowatts of the signals modulation are numerals of the signals modulation will not be stated in watts, kilowatts of the signal of the signa hertz, K for kilohertz, M for third indicates the type of one watt. The chart is available free (telegraphy, from Rediffusion Radio Systems, Broomhill Road, Wandsworth

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EUROPE'S BUSINESS NEWSPAPER

London Clearing Banks' balances as at December 9, 1981

THE TABLES below provide the first monthly indication of the trends of bank lending and deposits, ahead of the more comprehensive banking and money supply figures published later by the Bank of England. Tables 1, 2 and 3 are prepared by the London clearing banks. Tables 1 and 2 cover the business

of their offices and their subsidiaries (excluding Scottish and Northern Ireland banks) in England and Wales, the Channel Islands and the Isle of Man which are listed by the Bank of England as falling within the monetary sector. Table 3 covers the parent banks only. In this, it is comparable with the figures

produced by the Bank of England, which show the reserve positions of all the banking sectors subject to credit centrol. Minor differences here arise from the exclusion from the clearing bank figures of Coutts, a subsidiary of National Westminster but a clearing bank in its

TABLE 1.				Į			stal andinu		
AGGREGATE BALANCES		otal anding	Chang		-	£m	£m	£m	£m
LIABILITIES	£m	£m	£m	£m	Bills: Treasury bills	369		+.13	
Sterling deposits: UK monetary sector UK private sector UK public sector Overseas residents Certificates of deposit	8,864 44,848 672 5,294 2,592		-292 +119 -120 +104 +207	-187	Other bills	2.612	1,617 - —	+101	+114
of which: Sight Time (inc. CD's)		62,270 20,539 41,731		+ 18 -221 +239	Other	2,315	4,927	+ 17	 25
Foreign currency deposits: UK monetary sector Other UK residents Overseas residents	12,869 3,138 27,173		- 48 - 47 -1,729		UK private sector UK public sector Overseas residents	38,021 274 3,260	41,555	-347 -273 + 71	-549
Certificates of deposit	3,278	46,457 108,727	+104	-1,720 -1,702	Other sterling assets*		7,770		-177
Other Habilities*		13,987		-296 -1,998	Market loans: UK monetary sector Certificates of deposit Other	. 321	•	-1,136 + 39 -259	
•	•				Bills		32,409 55		-1,356 + 2
ASSETS Sterling Cash and balances with Bank of England		1,325		+ 69	Advances: UK private sector UK public sector Oversess residents	435		+ 14 - 20 -330	
Market loans: Discount marketUK banks	2,596 9,700		+239 + 17	· · ·	Other foreign currency assets*		13.517 2.459	- 	-236 -159
Certificates of deposit Local authorities	1,758 1,424 1,604		+184 - 6 - 15		TOTAL ASSETS	- · · · · · · · · · · · · · · · · · · ·	1,530	-:	-1,998 -152
		21,100			Eligible Liabilities	1—11 grad 1 grad	46,244		-333
		* Inc	ludes ite	ms in su	uspense and in transit.			o intin in to o Section	
				-			-	-	-Sugar

										<u> </u>		<u>:</u>
TABLE 2. INDIVIDUAL GROUPS OF BANKS' BALANCES	TOT Out- standing	Change on	FARC Out- standing	Change on	Out-	YDS Change on month	MIDI Out- standing	AND Change on month	WESTM Out-	Change on		N'S Change
LIABILITIES	£m `	£m	£m so son	£m	£m	£m	£m	£m	£m	£m	£m	£m
Total deposits	108,727 -	-1,702	30,988	168	18,340 -	-1,213	- 23,353	-134	33,156	—156	2,892	- 31
ASSETS		٠,			•	5			- ,	- [.a.]		
Cash and balances with Bank of England	1,325	+ 69	358	+ 17.	231	⊢ 40	282	+ 35	416	+ 71	38	 14
Market loans:						٠.						: <u>.</u>
UK monetary sector	23,988	880	6,768		3,344	-749	3,669	+110	9,672	- 145	588	27
Other	25,503	- 57	7,070	-227	4,793	—189	5,310	+ 3	7,606	+347	725	ு+ு 19
Bills	1,672	+116	584	+146	200	-125	- 418	+ 81	437	4 7	32	· 🕂 - 4
British Government stocks	2,612	- 42	740	- 1	498	+ 2	761	- 14	562	- 29 [']	52	
Advances	55,072	-886	16,236	·1 94	10,038	-131	12,196	-258	15,013			15
·						-	·. · · ·					

INDIVIDUAL GROUPS OF BANKS' ELIGIBLE LIABILITIES

THE ARTS

Chris Dunkley looks back at television, 1981

A rich summer

transmit such a quantity of schedulers. material that it is impossible for one person even to be sure of seeing all the highlights, but in contrast to the theatre, cinema, and concert hall the huge variety of material conveyed via this medium is such that any single conclusion must almost inevitably be wrong for some parts of the output

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What is more, whereas my fellow critics on this page deal with finished products resulting from processes deliberately undertaken by one or more artists, be they dancers, actors, painters or whatever, some of the most interesting and signifi-cant material on television is either unfinished or the result of anything but deliberate intent. News, current affairs and sports programmes (not-tomention inept continuity rich announcements) are full of It would take stubborn ingratisuch chance occurrences.

They may be communicated with greater or less technical drama series and serials in-experiise and one might use cluded To Serve Them All My fully review the standards of Days, The History Man, Hitch such techniques. But it would Hiker's Guide To The Galaxy, be very odd- to offer an equal Sous and Lovers, Honky Tonk welcome to three great pour Heroes (an ATV series shows welcome to three great new Heroes (an ATV series about plays in the theatre and three a London club for cowboy assassination attempts on tele-"dudes" which received less assassination attempts on television (Ronald Reagan, the Pope, and Anwar Sadat, the last tragically successful) merely because the assassination attempts were shown in all cases quickly and in two cases clearly in all our sitting rooms.

Some commentators find the mediation of current events by television deeply ominous. Nothing is "real" any more they say, every world-shaking event becomes merely another television programme. It is true that, once again in 1981, television was swiftly and closely involved with the year's majorhappenings: the freeing of the U.S. hostages in Iran, the inauguration of Ronald Reagan, the H-block hunger strike deaths, the space shuttle journeys, street moting in Brixton and Toxeth, the Warrington, Crosby and Croydon by-elections, the cowardly IRA, bombs in Lundon, and latterly oppression in Poland.....

Yet the claim that television somehow reduced all these to uniformity or lessened their impact seems to me absurd little more than a vivid example of the transference of the listener's guilt to the bringer of unwelcome messages. Is it. seriously suggested that in the days when such occurrences autobiography.

All three were on BBC 2 and were "newspaper events" or Almost alone Hi De Hi! since the same channel carried before that "word of mouth bucked the trend, with its big The History Man, Hitch Hiker's events" public reaction was cast, high professionalism, Guide. Sons And Lovers, Bread healthier or wortheir or the willingness to allow comedy to Or Blood, Private Schulz, The support for the guilt-transference theory in the fact that the objections disappear when the event is a happy one.

size of audience, frequency of repetition, and memorableness among the public: July's wedding of Prince Charles and Lady Diana Spencer. I happened to be in a small town in Sardinia at St Paul's, the ceremony itself, and the return to the palace, all broadcast Hve. Moreover, back waiting for me; evidence not

Only an insompted polymeth only of the beginning of a revo-with two sideo decorders could lution in technology, but also of legitimately offer a single sen-tence assessment to cover the ship developing between broad-whole of television for 1981, easier and public. About 11m Conclusions such as "It was a British homes had acquired it, they could have made the great/average/goor year" be video recorders by the end of come more and more suspect. 1981, and thus the capacity to Not only does television now become their own programme

> What with that end Teletext (im in use now, im more to be manufactured in 1982) and the BBC launching the biggest push ever in home computers, it would be easy to devote 2,000 words to hardware alone, but plete Shakespeare, partly by we must get back to the software, or programmes as they say ...

Despite the natural reservations expressed above, I started my mental review feeling that the year was probably about average. Forced by the number of programmes to start making lists, however. I realised that the unimpressiveness of the most recent season had coloured my view of the year as a whole; the spring and early summer were, surely, extraordinarily

tude to dismiss as merely "average" a year in which attention than it deserved). Bognor (also undervalued), My Father's House, Bread or Blood, -BBC2's powerful and moving serial about the social history of 19th-century rural England, the gloriously funny Private Schluz, Maybury, an incon-sistent but brave and interesting series about a psychiatric ward, and The Flame Trees of Thika-and all those without even mentioning the obvious winner of all the awards in this

Comedy as a whole was weak verging on the pathetic, much situation comedy sounding as though it had been extruded communally by a committee of sociology lecturers. A seemingly unending procession of scripts lined up to poke fun in a neurotic way at wimps: wet impotent males. As the months passed and the ineffectual separated husband was replaced by the cringing divorce who was overtaken by a sniveling widower and a man in his 30s with the thickest head of hair ever seen babbling about going baid, one longed for an edict Englishwoman And The Horse demanding that script writers supply ten good jokes for every further draught of purgative never unkind. autobiography.

category, Brideshead Revisited.

events more "real"? There is grow naturally out of character, bury, Unity, Going Gently, The and determination to provoke Innes Book of Records, and the viewer to laughter rather Boom Boom Out Go The Lights than group therapy. It deserves as well as five out of the six all the honours it will collect, best documentary series, it It was just such an occurrence The only other sitcom to earns a special mention as which provided THE television mention is Holding the Fort Channel Of The Year event of 1981 if you judge by by newcomers Marks and Gran In autumn 1982 BBC 2 conevent of 1981 if you judge by by newcomers Marks and Gran who work hard and to good troller Brian Wenham may have effect on their dialogue. But to look to his laurels when

this was their second run. able for the scrupulous and have earned ham a very strong the time, but could still see loving detail with which it is claim to the job of managing four hours of the procession to made, but the only series which director BBC Television which might be said to approach the is vacated by Alasdair Milne level of healthy iconoclasm as be moves up to director-boasted by the 1960s satire general. in London review copies of the shows was Not The Nine wedding on videocassettee from O'Clock News, and the best they both the BBC and ITV were could do in 1981 was to repeat

year's freshest comic series but after one episode Boom Boom Out Go The Lights simply disappeared.

The biggest contrast of all between that golden age and the past year was in single plays. Jonathan Miller finally managed in 1981 to impose a sense of house style on the BBC's comsystematic references to paintings, giving us a memorable All's Well and an engrossing Antony and Cleopaira. Don Taylor and Louis Marks produced a marvellous The Crucible on BBC1. But those are all old plays.

Only three new plays stick in my memory: Tony Perrin's re-telling of the ETU ballot-rigging scandal, The Union; John Mortimer's account of the Hitlerinfatuated Mitford girl, Unity: and Going Gently. Thomas Ellice's play from Robert S. C. Downs' novel in which Norman Wisdom and Fulton Mackay played two men dying in a cancer ward and Judi Dench played their nurse, all under Stephen Frears' direction. Its toughness, compassion and honesty will stay with me a very long time.

In summary, then, television drama in 1981 saw an acceleration in the drift away from the single play and towards series and serials, a movement which, as I have said before, seems quite natural and unexceptionable in this medium. A parallel shift continued in documentaries. Admittedly there were among

the single documentaries rather more borderline cases than among the plays, and many works which, though pushed in under umbrella titles. were really one-off productions. Thames Television's Take 6, for instance, included several exciting programmes by brandnew directors, and Man Alive presented a memorably stark and honest edition on road safety.

Among those actually presented as single documentaries my own shorthist for awards. in transmission order, would be Philip Speight's delightful and delicate film about a piano tuner, The Glazebrook Touch: Peter West's quirky account of taxidermy, Lion; and Edward Mirzceff's programme which was sometimes hilanious, sometimes mind boggling, yet

Aid three were on BBC 2 and

Channel 4 comes on the air-The Innes Book Of Records though it may not be his pigeon was again unique and cherish by then since his successes must



Troubles was long overdue but all the more welcome; The Making of Mankind in which I learned much from Richard Leakey's palaeontology even while being annoyed by his preaching; Personal Pleasures With Sir Hugh Casson which did indeed provide much pleasure; the snappy, humorous and invigoratingly sensible Snowdon On Camera which proved to be that rare phenomenon, a television series that was (if only slightly) too short: and Fighter Pilot which would have seemed even more remarkable had we not already seen Sailor. Strangeways and so

Having singled out BBC2. justice demands a special mention also for Granada Television, the only original ITV company surviving to celebrate its silver jubilee in 1981. That alone may not be worth a medal, but the company's continued record-certainly is. Not only did they bring us Brideshead Revisited, the best drama of the year and probably the best television adaptation ever, but their television journalism continued stand head and shoulders above the rest. Their series Rich World, Poor

World explained with uncompromising candour and awful clarity the invidious relation-Kenneth MacMillan working as choreographer and in A Lot Of unique "hypotherticals" and, thanks to Leslie Woodhead, supplied both of the year's best drama documentaries: Strike which last month re-created in minute detail the birth of Solidarity in the Lenin shipyard, and earlier Invasion which perhaps did an even more extraordinarily impressive job on the toppling of Dubcek.

Elsewhere the drama docu-

time and the trouble that this form needs, Jeremy Isaacs, now heading Channel 4, reconstructed a violent and oddly selective version of the life of murderer Jimmy Boyle in A Sense of Freedom for Scottish TV; and BBC2 gave us The Jail Dicry of Albie Sachs with a powerful performance from Stratford Johns as an Afrikaner gaoler, and also another short series of Michael Wood's joyous historical investigations In Search Of (Athelstan, Ethelred, William the Conqueror). The regular current affairs

series carried on much as before with BBC1 out in front, Panorama having a good year Question Time making itself viewing. and compulsory Nationwide changing for the better when Roger Bolton moved over from Panorama as editor, Granada's World In Action stayed on an even keel. but Thames's TV Eye too often induced sleep. The best new current affairs programme was The Pursuit Of Power, a series of shrewdly revealing political interviews by Robert McKenzie who, sad to say, died in October. There will be other political commentators but McKenzie is irreplaceable.

It was of course vet another year in which television's own activities frequently made news: the BBC acquired a new charship between north and south, ter, the IBA sacrificed Southern first and third worlds. They TV just as it entered the most commissioned Jack Gold to film impressive period in its history, a national Broadcasting Complaints Commission was estab-Happiness he turned in the best Ished, and the licence fee went televised analysis of ballet I up to £46. "Primetime," the have ever seen. They con-first serious television magazine tinued with Brian Lapping's for many years, was launched and despite occasional substitutions of quantity for quality. showed tremendous promise.
As ever there was an out-

rageous amount of talk about the industry, much of it deeply gloomy. Yet income to com-mercial television was the highest ever (net revenue for November, the latest recorded month, was 36 per cent up on trophe, Miss Take, Ivor Small marked with the appearance on anything but rag week at a bad university is by Billy Hartman granane awards flooded in as shows was Not The Nine Those five documentary series mentary remained vaguely fast as ever. If British steel, is another uncredited character beginning to end, this is as end of Act 1 he says: "Shows from 1980. Had its ITV counterpart The will provide the money, the there would be little to worry | sign of an uncredited character, wrote the script and the lyrics. It is another uncredited character beginning to end, this is as end of Act 1 he says: "Shows from 1980. Had its ITV counterpart The will provide the money, the there would be little to worry | sign of an uncredited character, wrote the script and the lyrics. It is another uncredited character beginning to end, this is as end of Act 1 he says: "Shows from 1980. Had its ITV counterpart The will provide the money, the there would be little to worry | sign of an uncredited character, wrote the script and the lyrics. It is another uncredited character as the fact Shows is another uncredited character beginning to end, this is as end of Act 1 he says: "Shows and the best they were Robert Kee's Ireland A unpopular, mainly because few textiles and shipping were as in the Company as another uncredited character beginning to end, this is as end of Act 1 he says: "Shows another uncredited character beginning to end, this is as end of Act 1 he says: "Shows another uncredited character beginning to end, this is as end of Act 1 he says: "Shows another uncredited character beginning to end, this is as end of Act 1 he says: "Shows another uncredited character beginning to end, this is as end of Act 1 he says: "Shows another uncredited character beginning to end, this is as end of Act 1 he says: "Shows another uncredited character beginning to end, this is as end of Act 1 he says: "Shows another uncredited character beginning to end, this is as end of Act 1 he says: "Shows another uncredited character beginning to end, th

Drill Hall, WC1

Punch and Judy

by DOMINIC GILL



and the second s

terms of an entirely static stage the movement, the colour and that even Birtwistle's irreprespresentation — a work whose every ebb and flow of movement and complex dramatic counterpoint resides, and is expressly designed to reside, in the words voices sneer, cry out in heartand music plone. He has added break; strings and reeds fizz to this gravely ritualistic frame with conflict. In the whole of such a flurry of stage business, minutes there is not, even such an agitation of visual connection and urgent, sweating movement, that he shakes the piece to death like a broken like smoke, would try to persuade us otherwise, a single puppet on the end of a string. Did Mr Freeman ever pause And that extraordinary momento reflect why it is that Birtwistle's Punch and Judy makes tum is achieved without the twitch of a face muscle or a Judy and Marie Angel's splen-pointed finger: when the didly sexy Pretty Polly make not only such a brilliant, but also such a complete, effect in concert performance? Visually, minimal stage directions have their marks vigorously in Freethe work summons no more been complied with, there is, man's scheme: nore's the pity symbolic quite simply, nothing to add. reference, all of the tension,

contrast is contained, densely sible score is sometimes overand unrelentingly, in the score. whelmed: at crucial moments Brasses bray; percussions snap: the focus is wrenched, time and again, from the music to the scene. The musical perform-Punch's one hour and 45 ance given by the Endymion Ensemble, when one could conwhere a sudden mirage of centrate on it, was very good: lyrical tenderness, vanishing rhythmically strong, crisply like smoke, would try to perby the conductor Howard Wilmoment of relaxation or rest. liams. Omar Ebrahim's sinuous,

punky Punch, Graham Titus's Choregos, Hilary Western's Judy and Marie Angel's splenthat it bears so little relation So much is added, indeed, to Birtwistle's own.

Purcell Room

than

the barest

PLG Young Artists

The Park Lane Group's week of recitals wedding young performers to 20th-century music has become one of the more welcome fixtures in the concert calendar of the early new year. But the 1982 series began on Monday in the Purcell Room less auspiciously than usual. The blame could be laid only marginally on the performers. partly on the debilitating heat of the hall (over the Christmas break the air conditioning in the Purcell Room has become deranged) and most of all on the PLG's programming. These series have long had their tics, but usually in the past they have still produced lively, well balanced evenings.

The present five concerts feature the music of Michael Finnissy and Giles Swayne. Two clarines (from all accounts be of Swayne's pieces were in has played them before in in their own way, without any cluded on Monday, a pro- London most memorably) but claims to profundity or techgramme shared between the his account was subdued and nical sophistication. clarinettist Mark van der Wiel, unsettled; his best form was

Barritt with the pianist William much fury, but ultimately quite Howard. Both are technically highly accomplished. If Mr Barritt made the stronger im- formances were lavished on pression on this occasion, Mr music that benefited from such van der Wiel's cause was hardly helped by his selection of works. Lutoslawski's Dance Preludes

need more careful pointing and

colouring to give them an impact and William Alwyn's clarinet sonata ramples unconvincingly; it never strikes a balance between declamation and reflection, and the per- 247 strings, tricksy little formance was similarly left in miniatures (10 of them, lasting two minds. Mr van der Wiel around a minute each) largely should have seized the chance made up of rhythmic unisons to show his worth in Stravinsky's Three Pieces for solo belatedly introducing some dis-

accompanied by Robert Lock- paradoxically reserved for hart, and the violinist Paul Swayne's Canto, simulating empty and pointless. Paul Barritt's studied per-

> genimed precision: Webern's miniscule Four Pieces Op. 7 and Stravinsky's Duo Concertante. He was also allotted a piece by Giles Swavne-the Duo for violin and piano, less banal than the clarinet work, and sustaining a convincing structural plan-but he included as well Judith Weir's Music for between violin and piano and functions. They are charming

The Butler Did It by B. A. YOUNG

The four potential heirs to even a ghost, can hardly be They also take two of the parts. the fortune of an international called fair play. Nor is it made Bob Sellins wrote the tunes. ballet star spend the night in more attractive by having every Maurice Lane is the director. his haunted bouse, Farque Hall. They are called Major Catas-Blimey, and Rick Slick. There

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freath, or apparent death. The only acting that looks like as the play is rubbish from as a private detective. At the is another uncredited character beginning to end, this is as end of Act 1 he says: "Should in the company, a ghost. As the acceptable as anything else. anyone wish to leave, now is play is a whodunit, the intru-

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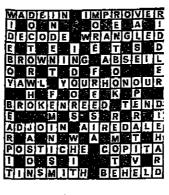
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1 Symbol found around in a statuette (8) 2 Ready keeper (9) 3 Part of the natural moun-

tain range (4)

5 Not a thoroughbred aperitif 6 Almost exhausted on the verge of completion (6, 4) 7 Sound precipitation as a

rule (5) 8 Dull, certainly, but has an 17 Puzzling suggestion of angle (6) musical variations (9) ever way you look at it (5)

14 Uniformly described as 19 "Like a puffed and members of the Senior Ser-libertine" (Hamlet) (8)

For Share Index and Business News Summary, Telephone 246 8026 (number, preceded by the appropriate area code valid for London, Birmingham, Liverpool and Manchester)

vice (4, 2, 4)

9 A formidable woman which- 18 Orderly resident alien concerned about a trough (8)

22 Post-diluvian landing-place 23 Organised body not quite dead (5) 25 Hidden canine energy (5)

27 Just, not rough when you find the way (4)

FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON ECAP 4BY Telegrams: Finantimo, London PS4. Telex: 8954871 Telephone: 01-248 8000

Wednesday January 6 1982

Papandreou's curate's egg

tioned in parts and may be a intends to retreat from some of his more extreme past positions. But it is also imprecise in detail, fraught with danger for an already poor investment climate, and largely irrelevant to some of the country's chief

economic problems.

The attack on tax evasion which the Greek Prime Minister promised in his television speech on Sunday is overdue in a country where this form national sport costs the Government about a third of the revenues it is entitled to.

Inefficiency

Dr Papandreou also showed what could prove to be welcome evidence of realism in his approach to the problem of large industrial enterprises in trouble because they owe too much to the banks. Those found not to be viable would be wound-up. But Dr Papandreou created no clarity about the "socio-economic" criteria that would be applied in deciding which enterprises may survive. That phrase opens the door wide to considerations of social expediency which conflict with and eventually will succumb to

Those enterprises chosen for survival will come under the aegis of a Government agency especially set up for the purpose. Given the notorious inefficiency of the Greek bureaucracy one may doubt whether such an really will perform than present managements, even given their evident shortcomings.

The proposal falls short of nationalisation, ranking instead "socialisation" in Dr Papandreou's vocabulary. In several key sectors of industry "socialisation" is to take the form of the appointment of supervisory councils representing labour, management, the government, and local authorities. These councils are to ensure that corporate policy and planning fit in with the overall industrial aims of the government in Athens.

Whereas a case can be made out for creating some such

THE MOST that can be said especially so in Greece where for Dr Andreas Papandreou's nepotism is a way of life. Moreindustrial programme for over the concept reveals a con-Greece is that it is well intentradiction between Dr Papandreou's proclaimed objectives. smokescreen behind which he On the one hand he wants a greater degree of decentralisation; on the other he is creating institutions, such as the agency to supervise those lame ducks worth saving, which will increase the direct influence of the central government.

Dr Papandreou's propos barely address two fundamental problems of the Greek economy: the over-regulation of the bank ing system, and the extreme fragmentation of industry. The country has almost 130,000 industrial enterprises employing, on average, 5.5 persons each. A large proportion will not survive as Greek tariffs and especially non-tariff barriers against EEC industrial goods are eliminated.

Besides a consolidation of its industrial structures, Greece needs a steady flow of foreign direct investment to compensate for a chronic deficit on current external account. Dr Papandreou said that foreign investments would be welcome, provided they were profitable to the Greek economy. He also foreshadowed controls to tre vent transfer pricing, a device by which the foreign investor can attempt to reduce his tax bill in Greece.

Incentives

There may be little to quarrel the principles involved. but given the interventionist tenor of Dr Papandreou's speech, their application may further deter foreign investors. Uncertainties do not end there. Dr Papandreou's failure to clarify how he wishes to after the terms of Greek member-ship in the EEC cannot but sen the investment climate for both foreigners and Greeks. Given the backwardness of the Greek economy there is a case for special measures and incentives to strengthen industry. But an attempt to overthe market and give bureaucracy more powers of intervention is not the right way. It is problematic enough France which boasts an industriably skilled civil service. Greece with an already bloated bureaucracy, Dr Papanchannels of communications, dreou's approach is fraught either institutional or informal, with economic as well as the dangers are self-evident, and political dangers.

Manipulating the money supply

THE CITY seems to have ment paper to finance commer-found some cause for relief in cial lending. Again, lending the modest quarter-point rise in the money supply reported for the three weeks of banking December. This makes some market sense. Guesswork, based on the continued aggressive drive of the clearing banks into new markets, had suggested a far higher figure: There is little comfort, however, for any remaining adherents of what a senior director of the Bank of England has called the "theology" of monetarism. The figure is grossly deceptive.

Explanation

The oddity can most readily be seen in the very large gap between the expansion of bank lending—about £11bn—and the much more modest expansion of bank deposits, about £300m. These figures can readily diverge for a time when taxes are being collected, or Government stock has been sold in large amounts, but when they do so month after month, the explanation is no longer routine. After all, monetarists are inclined to regard money and credit as two sides of the same coin, and it is a very different coin which has two sides of quite different size.

The explanation is as strange as one might wish. About half the growth of bank lendingby the Bank of England, which bought another £600m worth of commercial bills. It now seems likely that over the financial year as a whole the Bank will tune of some £4bn. Aggressive lending is an odd way to operate a credit squeeze.

Statistically, this makes a kind of sense. Bank lending can be financed in three ways-from the accumulated profits of the same time to control the broad banks, from new bank deposits, money supply — the domestic which are "money," or from sterling liabilities of the bank the sale of other assets of the ing system-and to refuse to banking system. For years the subject the banking system banks have been financing part itself to any real constraint, and

Government securities. Recently, commercial bank

can be financed without adding to bank deposits, producing relatively orderly figures for

the "money supply."
What is being achieved in reality? A seismograph might detect a considerable disturbance near any cemetery containing the remains of the money disciplinarians of the 19th century, who demanded gold backing for the note issue. It the present rate of progress the note issue will within two years be backed

entirely by commercial IOUs. Indeed, this fact suggests that a new grave is being dug. Since the authorities cannot buy commercial bills without limitunless some new institution is invented to hold them, a kind of official money market mutual fund-those in charge must be presumed to hope that they are conducting the last rites of of acceptable figures, and we can turn our attention to somerate or the monetary base, both of which have been performing in a satisfactory way.

Control

This may seem a cynical conclusion, but it is in fact a sensible one. It is highly doubtful whether any workable and more than half in Novem-regime can be based on the ber—has been financed directly attempt to control a broad regime can be based on the measure of the money supplythe attempt is something of a British peculiarity. It has be-come doubly doubtful whether it makes any sense to control be a commercial lender to the domestic sterling liquidity since exchange controls have been abolished; private foreign currency holdings have been growing apace.

What is certain is that it cannot make sense to try at the of their commercial expansion that in essence is the story of by selling their holding of the last decade of monetary

control in the UK. As the Treasury Committee holdings of government paper recently pointed out, official have been run down to an embarrassment about monetary operational minimum. For the policy is now so evident that time being, the Issue depart- the nature of the policy itself ment of the Bank of England has become a mystery. It is a has taken over the running, mystery which must be resolved seiling its holdings of Govern- before confidence can revive.

THE OUTLOOK for the world's major jet airliner manufacturers in 1982 is

Most manufacturers are still confident that eventually there will have to be a substantial upsurge in procurement, as airlines, facing soaring costs of all kinds, seek to acquire newgeneration aircraft with substantially improved payload capacities and greater fuel efficiency. Some airlines have already begun to buy such aircraft but on nothing like the scale that most manufacturers expect. They still think the world's airlines will spend some \$126bn by 1992 on about 5,000 new-generation jets of all kinds.

bleak. With losses estimated at over \$1bn in 1981, and com-

parable, if not worse, figures being forecast for the coming

mood to go equipment hunting.

the airlines are in no

The severe recession in the world air transport industry over the past year has already resulted in some traumatic changes among the major manufacturers. The result is that Airbus Industrie of Europe has now become the world's second biggest jet airliner manufacturer after Boeing of the U.S., especially for wide-bodied jets.

The rest of the decade will see yet more battles particularly for a slice of the 150-seat shortto-medium range aircraft market. Three major groups of manufacturers plan to build their own versions of a short-tomedium range 150-seater in the next few years. There could be market for as many as 2,000 of this kind of aeroplane by the end of the century, worth well over \$20bn including spares.

The next few years may also see far greater involvement by the Japanese. Western aircraft makers have been wooing the Japanese hard and there is no doubt that they, for their part, are interested in participating in the 150-seat project.

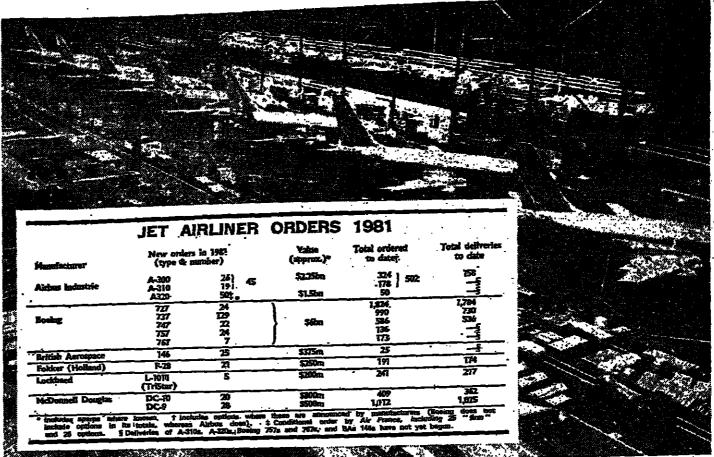
The accompanying table shows how each of the major jet air liner builders has performed this year. The poor showing by Lockheed (five new orders, with three cancellations) has been the prime reason for that company's decision to end TriStar production from 1984. McDonnell Douglas has done better, but still not as well as it had hoped. Airbus has continued to make rapid progress, especially if the conditional order from Air France for 50 (25 firm and 25 options) for the proposed A-820 150-seater is included. This depends on that aircraft going ahead to full development and production.

The big battles in the world airliner market place are now seater, involving three major being fought between Boeing groups—Airbus with the A-320. and Airbus Industrie, with the Boeing with the "7 Dash 7," rate may be slower than many Boeing 767 ranged against the and McDonnell Douglas/Fokker analysts now believe likely, Airbus A-300, and the Boeing with the MDF-100. But plans about 4 per cent rather than the

Turbulent times ahead

WORLD AIRCRAFT MAKERS

By Michael Donne, Aerospace Correspondent



757 against the Airbus A-310, all in the short-to-medium range market.

Jumbo, and is likely to have this market all to itself for as far ahead as anyone can fore-Competition from the Lockheed TriStar is now virtually over, while McDonnell Douglas's DC-10 is only just

holding its own. In production terms, Airbus Industrie is expanding fast, raising its output from four aircraft a month to reach eight a month by 1984. Boeing has cut back output of 747s to meet

Need for an aircraft in short-to-medium range category

market while demand for the mediumrange 727 is shrinking fast. The bigger, new-generation 757s and 767s are only just beginning to emerge, and some new orders for these are expected during 1982.

Boeing is also boosting production of its small 737 shortrange jet. A new, improved Boeing remains top of the Series 300 model is under Fokker is prepared to match league, with orders for 206 air- development and production is that, but believes 1987 to be liners this year (well down on running at 10 aircraft a month, last year's 324, but still yielding a welcome \$6bn worth of world's best-selling jetliner.

Beyond all these models lies the short-to-medium range 150-

for all these models, which have been floating around the world's aerospace and airline Boeing remains in a class of industries for some time, are its own with the big 747 maturing only slowly and the maturing only slowly and the current airline recession appears to have pushed back current the prospective in-service date of any of them to 1986 or 1987, or even perhaps 1988.

The 150-seater twin-engined airliner fills the slowly emerging need for an aircraft in the short-to-medium range category between the 737-300 of about 138 seats, and the larger Boeing 757 of 180 to 200 seats. The most immediate pressure for it is coming from a handful of U.S. airlines, such as Delta, Eastern and United, each of whom need about 100 aircraft.

Boeing's original plan to turn the existing three-engined 727 into a twin-engined airliner appears to be fading. But the company is still reluctant to get into this new venture too soon largely because it is already spending more than \$2.5bn on developing the 757, 767 and 737-300, and cannot afford to launch another new programme Of all three contenders, Air-

bus appears to be pushing its A-320 hardest, and still maintains it can get it into service by 1986. McDonnell Douglas/ more realistic. Boeing believes get, in the light of current air-line financial difficulties and uncertainties about the rate of traffic growth once the This need for cash is one recession ends—it feels the major reason why all three

popularly believed 5 to 7 per cent a year.

Boeing's become enmeshed in another new airliner programme does not mean, however, that it will not compete if it has to. It already has a big team involved on the "7 Dash 7," and if it enters the market, it will do so determined to win the lion's share of it

None of the manufacturers involved are without their problems. All need cash—each of the planned 150-seaters will cost up to \$2bn to develop (or about the same as the existing A-300, A-310 Airbuses). manufacturers are likely to have some difficulties in raising

Airbus will certainly have to get cash for the A-320 from the West German and French. Governments. British Government pledged support in principle, but the British and West Germans are more cautious, waiting for firm proposals from their aerospace industries on cost and worksharing before taking decisions. These plans are now being worked out, and will be presented to the governments in

the first half of 1982. So far as the MDF-100 is concerned, the Dutch Government has pledged support for Fokker, but McDonnell Douglas will 1988 to be a more sensible tar- still have to find its share of the money from its own resources—as will Boeing for the "7 Dash 7." This need for cash is one

groups are wooing the Japanese aerospace industry for support in the 150-seater concept. Japan

is anxious to expand its own aerospace industry, and sees the 150-seater as one good way in

which to do it.

Japan is prepared to spend substantial sums on its share of a 150-seater venture, provided it can gain new advanced technological knowledge in return. This is why the Japanese industry is already undertaking 15 per cent of the Boeing 767, and would like perhaps as much as 20 to 25 per cent of any 150seater. But while all three western manufacturers are wooing the Japanese, the latter are in no hurry, and would like to have much firmer detailed

Three candidates appear to be in the field

proposals on costs and worksharing before making any commitments. Even so, a decision is likely to come some time in 1982. All the prospective manufac-

turers of the 150-seater agree

that the primary "pacing factor" will be the availability of a suitable engine. So far, version of the Franco-U.S. Electric) (Specma-General CFM-56, and a derivative of the Pratt and Whitney (U.S.) PW-2037 called PW-STF-633. All these power-plants will need to be of around 25,000 lb thrust. So far, the RJ-500 appears to be at least two years ahead,

with "demonstrators" (proving past 12 months.

the overall validity of the design concept) due to arm on test-beds at Derby, and at Ishikawajima-Harima . Heavy Industries in Tokyo next month.

But engine development is as costly as airframe development -about \$1bn for a single new power-plant. Because of this, General Electric of the U.S. has decided not to develop another new engine of its own for the 150-seater, preferring to go along with its existing invest-ment in the CFM-56 with Sneema Peatt and Whitney meanwhile has been discussing the possibility of joining with Rolls-Royce and the Japanese on the RJ-500.

Rolls-Royce and the Japanese are confident that if only they can maintain the pace development on the RJ-500, they have an excellent chance of being the "launching" engine in more than one of the pros-pertive airframes. As with the 320 airframe, however, the UK Government will have to make a substantial investment in the full development of the RJ-500, as will the Japanese Government, and they will want to be assured that the market is big enough to make that invest-ment profitable.

All this explains why the discussions now under way on both the airframes and engines for the 150-seater are so complex. and why they are so slow to mature into firm programmes backed by airline orders. No one doubts that such programmes will eventually emerge. The major uncertainty is over who, if anyone, will drop out of the race because they cannot finance the heavy capital investment necessary.

Beyond even the 150-seater there remain some substantial further investments in a wide range of other new civil aircraft for the long-term future. In the UK, British Aerospace is spending well over £250m on its BAe 146 four-engined feeder-liner, with only 13 firm orders and 12 options won so far, although the eventual market could run to several hundred aircraft.

For all that the immediate future seems grim, therefore, for the longer term the outlook much brighter. The uncertain factor is just when the improvement in the airlines and the manufacturers' fortunes will occur. Some analysis have suggested that for the airlines emerge by the end of this year. But for the most part, the airlines and the manufacturers three candidates appear to be are resigned to the fact that it in the field—the joint Rolls—may now be 1983, or even 1984. worst to have passed.

the meantime. -In objective will be survival, and the battles for those few airliner orders anticipated in the coming year will be fought even more bitterly than those of the

Men & Matters

Ward of the courts

"I don't believe in pulling rabbits out of a hat," said Trident Television chairman Ward Thomas yesterday as he set the stage for his attempt to retain the licences of the corner Playboy casinos. "You can't go along with a lot of new names and expect the courts just to say we're all jolly good chaps."

And having siready produced Peter Nievens, the former Deputy Assistant Commissioner t Scotland Yard — when he first met at a preview of a Yorkshire TV programme on the police — Thomas gave the extraordinary general meeting only one new name to conjure one-time casino manager Gerald Kushler.

Neither Sir Gordon White nor Charles Sweeney, the men who helped set up Trident's £14.6m deal with Playboy in return for a controversial 5 per cent of the new operation, will play any part in its management. Not at all," said Thomas firmly.

But Jack Gill, the former ACC managing director, may still be one of the names to be placked from Thomas's hat at a suitable moment.

Gill, who has already been advising Trident on its venture, was not present at yesterday's meeting-with the row over his golden handshake coming up on Friday, one extraordinary meeting a week is probably enough for any man.

Despite some initial rumblngs over the Playboy purchase, however. Thomas yesterday saw it approved in a little over four minutes. No voices and only two hands were raised against

was one of Trident's founding shareholders and had been losing confidence in its management for some time. She had



and you feel a little cowed don't you."

Kids' corner

One British export business that seems to be thriving is the servicing of overseas households with a traditional nanny. Some 18 royal families around the world and hundreds more in the international upper-crust now take 75 per cent of the nannies placed by Sheila Davis's Bond Street agency in London.

The last two who have just left her books did so for salaries of around £12,500 a for being listed for the past year in the Middle Eastmaking them, she believes, the the Yorkshire wool company, in highest-paid members of their her annual reports?) profession anywhere.

exporters, the advice Davis got NUJ exhorts me to wear syn-One of the dissenters, Ann exporters, the advice Davis gor Thomas (no relation) said she from her husband some 14 years ago has stood her in good stead. refer to workforce instead of "My children were growing up," she says, "and I decided I wanted to go into business. I thought of a boutique, but my average citizen instead of the a long list of questions to put thought of a boutique, but my average citizen i
—but didn't. "It seemed rather husband warned me against a man-in-the-street,
a sexist gathering," she said, stock-carrying business and The guide war

suggested I went into a service against the use of businessman industry.

secretarial agencies and then incorporated a nursing agency. After a request from Bahrain for a nanny, she put an ad in the newspapers—and was promptly inundated with requests from and for namiles. "Overnight I was in the namy business," she says.

She gave up her other activities and founded Albemarie Namies in 1976, charging clients 17.5 per cent of the nanny's anual salary as a hiring fee.
With 1,000 well-qualified

women on its books, Albemarle is now the largest specialist agency of its kind in Europe. British nannies are in a class of their own, she says. She had one herself and employed them for her own children.

Woe men

In the title of this column, I revelry night after night at fear, men may find their last nominal refuge. For while the neatness of its alliteration—and its all-embracing nature—may ensure its survival, the feminist pressures to crase the very word man" from the English lan-

The National Union of Journalists has now joined the move-ment by sending an "Equality Style Guide" to newsmensorry, reporters-like me who persist in writing about chairmen rather than chairpersons. (Does Jean Marag Margaret Tyrrell really feel any the less

22 years as chairman of Sirdar, Alexander Pope would clearly Given the problems of find it difficult today to publish Britain's more conventional his "Essay on Man." For the thetic fabrics not manmade:

The guide warns reasonably

police officer not a policeman,

and seek the opinions of the

as a synonym for boss; but has no alternative for postman. though post-person sounds mar-

vellously metaphysical.
In the end, I ask myself, how ever, will Westminster's ratepayers get a better service if I write (inaccurately) about their refuse collectors instead of their dustmen?

Export disorder

Some distinctly disgruntled comment from the Japanese Cabinet yesterday about the behaviour of some of that country's export salesmen, hitherto heroes of the economic miracle.

Finance Minister Michio Watanabe complained bitterly that while the Government was doing all it can " to resolve its economic arguments with other countries, the overseas staff of Japanese trading companies was not co-operating.

"They engage in drunken night clubs, creating a bad impression," Watanabe alleged. They made no contributions to churches or broader humanitarian issues usch as the problem of refugees. Prime Minister Zenko Suzuki

greed that overseas staff would have to pay "full attention" in future to ensuring they did not create "moral economic fric-Other Ministers suggested that

the companies' code of conduct might be revised—or, more threateningly, that expense accounts abroad might be taxed.

Asset stripping

A colleague in Aberdeen was passing a friend's house, and happened to glance in through the window. His friend was hard at work stripping the wallmanpower; ask the time of a "Redecorating are asked my colleague, No, we're moving hoose."

Observer

Have you got what it takes to invest successfully

What you need

 Operating capital, forming part of a substantial portfolio of other investments.

 Expert advice and brokerage service.

What you don't need • Previous knowledge of commodities.

 Long periods waiting for results. • Ability to take risks. • A lot of time to

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currency markets. We also provide advice on when to buy and sell, or you can authorise us to operate your account at our discretion. Dealing costs can be as low as 10% - much less than for most other investments.

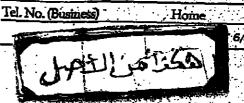
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The World Recession

Why oil prices must

remain high

Tilting into trouble

TRAIN OF THE FUTURE

By Lynton McLain, Transport Correspondent

BRITISH RAIL'S much vaunted 155 miles an hour advanced passenger train was to have started running again with passengers next Monday after its disastrous public debut last month. But that date has now been postponed.

The further delay is "to ensure that we have the reliability we are looking for," BR said yesterday. The aim now is to run a "simulated passenger service - normal service without the passengers in mid-February as a re-run of the trials strapped by British Rail just before Christmas.

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ECHIPS

water .

The idea of co-ordinated project management - common in other high-technology, highrisk, high-investment projects appears to have been either absent from the APT programme or to have become submerged as the scheme went ahead. The APT has also suffered from internal politics at British Rail and intermittent union problems.

The mechanical failures of the APT are now so numerous that passengers could be forgiven for re-naming the train the Accident-Prone Train. The failures have included:

 The tilt mechanism, the most novel mechanical feature on the train. This worked well on the original experimental APT-E, now in a museum at York But BR changed the design for the so-called preproduction prototype trains, only to find in June 1979 on its first runs that it did not work as planned. Changes were introduced which in turn led to year which last year represented the need for further, previously untried, systems. The latest plan is to re-introduce a tilt system more akin to the

 The conventional brakes have also failed on occasion. No solution is in sight to this

on without warning because moisture in the compressed air ● A so for unexplained power

cut to one of the main drive motors last month stopped the tili mechanism and swiftly its 1. brought the carriages upright trials. with spectacular results. Cups, plates and food defied gravity, flew through the air and caused dismay among bewildered, fare-

passengers. The train is still of a seat on the TGV and at

clearly showing the symptoms £3.1m for a complete APT, the techniques, of sunder-development which capital cost of a train set is strength a of the whole project. For the most recent problems have all occurred after the train has been tested and run for over

The APT had its origins in the 1960s when British Rail first bad the idea of using tilting technology for its high-speed trains of the future.

to the moon.

Since then £37.3m has been spent by BR on the APT project. £8.2m on the research and experimental stage and £29.1m on the prototype stage to date. This amounts to about £2.66m a 1.19 per enct of BR's total investment of £223m. Since the pre-Christmas trials. the Transport Department has revised the total so far spent by BR on the APT, to a new total to the end of 1981 of £43.4m. By contrast French Rallways

problem. have spent £800m on the new Last month the brakes came TGV 160 miles an hour pashave spent £800m on the new senger train project. This is based on new, double track running 257 miles from Paris to Lyon. The final section of this will open in 1983, when the APT will probably have just finished

The tilt system means that the APT should be able to take corners between 20 and 40 per cent faster than conventional trains. It also needs only a third In view of all these problems of the power per seat of the it is still not clear why British TGV; its cost per seat is Rail chose to accept fares from £55,250, just over half the cost

e become the main hallmark £1m less than for a TGV. These advantages stem in large part from the novel use of lightweight extruded aluminium on the pre-production prototype 100.000 miles, almost half-way APTs in a technique developed by BR and Alusuisse for the

> Back in 1967, when BR first discussed the tilt, Britain was already in danger of getting left behind by other countries which already had high speed trains. The Shinkansen high speed "Bullet" train had been operating in Japan for almost three years. Two years later the government authorised

This "served its purpose." It proved that the novel aspects of the train could work. There was a new suspension to overcome the problem that high speed coaches or wagons can literally shake themselves off the track and there were new brakes to cope with the high speeds. There was also the tilt and the aluminium body.

But this experimental train

was never intended to carry passengers and was altogether a different animal from the electric APTs now struggling to enter fault-free commercial Boocock, the Inter-City design engineer accepts that this proservice. Nor was it ever used by BR as a prototype to iron-out design and production problems. British Rail Engineering at Derby, which built the train, was expected to use the experience to learn from scratch the expensive techniques of craft technology.

This was five years after BR

The failure to evolve productightened properly.

By September last year the train was back on the rails, only to find that two more problems had emerged. The conventional brakes on the APT dragged while the train operated and BR was also concerned at what might happen if the tilt mechanism failed. A tilt failure mechanism was installed about 18 months after

continue. Further design stantial beyond the current resources of British Rail, and subsequent testing, will be made to the full production APTs. RR wants the Government to

targets. The first complete train was to have been delivered by BR Engineering three years after the go-shead, by mid-1977. Instead, only the first power car was delivered.

BR now blames industrial disputes, incomes policy and "people using APT as a lever" for their own ends. The first passenger coaches were started in June 1976, but were delivered a year later than planned in June 1978.

had taken the decision to build a prototype high speed tilting train, but this had not run, not even slowly. The first complete APT left Derby works for the Glasgow APT depot in February 1979, but four months was to pass before the train started its first experimental run. This was 12 years after BR had first thought of building a tilting train.

tion techniques for the APT led directly to the de-railment of the APT in April last year when an axle came apart. The boits on the axle had not been

the first test runs.

Dr Boocock insists that most of the APT's problems have not concerned the tilt mechanism or any fundamental problems They have been more to do with nuts-and-bolts" problems.
This type of problem is likely

give the go-ahead for a £286m programme for a fleet of 60 APTs and associated depot installations. But given BRs record in managing the current £43.4m programme, the 15 years it took from conception to last month's unsuccessful passenger runs, and BR's own admissions of its inability to provide the resources needed, the Govern-ment will take a hard look at tilt system, British Raid found ment will take a hard look it impossible to meet its own BR's investment submission.

BRITAIN is not alone in suffering the effects of economic physical recession. Since 1973, growth in all member-countries of the European Community has

ployment problems have become acute almost everywhere. Over caused and would quickly distotal supply available.

8 per cent of the EEC labour appear if growth were resumed. This is the main force is now unemployed and by 1985 the figure could well reach 12 per cent if present policies continue.

The recession is widely blamed on internal weaknesses. such as persistent inflation, faulty government policies, low productivity growth and inadequate structural change. It is to remedy these supposed problems that most member governments are at present attempting to cut back public spending and borrowing. The dual aim is to curb inflation by financial restraint and to improve the international competitiveness of European industries by giv-

ing freer rein to market forces. Our study of the European Community's economic problems and prospects* leads us to question this diagnosis and to reject as wholly inappropriate the policy prescriptions which arise from it.

In the first place, the slowdown in economic growth was too sudden and uniform across EEC countries to have been plausibly caused by inflation or supply-side rigidities. Second. it is hard to say that Europe's industries are in general uncompetitive when they still domin-ate world markets and when import penetration from the rest of the world is negligible. The record trade deficits

experienced by all EEC countries except the UK are due largely to depressed markets in oil-importing countries all over the world rather than to a failure of European industries to hold on to market shares. Third, the internal problems identified as causes of the recession—the fall in productivity

growth and the deterioration of

reality largely consequences. In our view, the recession was initiated and has been sustained by external rather than internal forces in the form of a worldwide scarcity of energy. This has held back economic growth in Europe and the rest of the world through increases in the price of oil. These have led governments in oil-importing countries to deflate domestic

materialising. The present oil prices-is entirely due to the slowed considerably and unem- low level of economic activity

> Although Opec is a marginal supplier of energy to the non-Communist world, it is Opec production which in the past has expanded and provided the extra fuel needed for world economic growth. Between 1965 and 1973 Middle East oil production grew by 13 per cent a year to enable the world economy to grow by 5 per cent

Iain Begg, Francis Cripps and Terry Ward of Cambridge

University argue that governments have adopted the wrong

policies to cure the

recession. a year—a two and a half fold

increase in production in just eight years If economic growth had continued at its former rate, and

given the changes in energy saving and energy supply else where which actually occurred. Middle East oil exports would have had to double again by 1980 and again, no doubt, well before 1990. This trend had to stop sooner or later. So far, Opec has twice called

a halt and put its price upthe timing influenced as much by political events as by economic considerations. The price, however, has still not proved high enough to stimulate energy saving and expansion of alternative sources of supply at the rate required to permit government finances - are in world economic growth at its former rate, though it has been high enough to cause severe financial hardship for many lowincome countries.

Although energy supply and the pattern of use are not entirely unresponsive to the world oil price, the response so far has been very slow in relation to need, despite huge price increases since 1974. Progress being made in developing

demand, so preventing any new sources of supply and some energy constraint countries, notably Japan, have achieved significant energy savglut-and the downward drift in ing. But exhaustion of easily accessible energy sources in or near the main consuming areas which these policies have continuously diminishes the This is the main problem which the EEC must help to

resolve if its own recession is to be brought to an end. Europe as a whole is too large in the world economy to evade the global constraint by out-competing everyone else and buying up all the energy it needs. There are too many other energy-hungry parts of the world which, by fair means or foul, have to provide for their own survival. Even if Europe's industries were the most efficient in the world, it would still not guarantee full economic recovery. And to the extent that Europe can ease its problems by this means, it is only at the expense of condemning other parts of the world to continued recession and, in many cases, to

worsening poverty.

The policies necessary at the international level to generate recovery can be stated quite simply. They are: the acceptance of a high world oil price as the only effective means of maintaining continuous pressure for energy saving and the development of new supplies: the willingness to borrow on a large scale to finance the counterpart deficits to Opec surpluses; and greatly increased aid and/or trade concessions to low income countries

It is much harder to envisage agreement being reached on these policies at the EEC. or world, level within the timescale required materially to affect economic developments up 1985 when individual countries vary so much in their vulnerability to oil price increases and their borrowing potential.

As yet, the collective gain from a global effort to overcome energy scarcity has hardly been recognised. Governments are inflation through restrictive fiscal and monetary policies which will prolong recession and, by holding down the world price of oil, make the underlying problem more intractable.

This piece is based on the latest Cambridge Economic Policy Review (Vol. 7. No. 2) to be published on January 11. It can be obtained from Gower Press, Gower House, Croft Road, Aldershot, Hampshire, GU11 3HR.

Letters to the Editor

Immunity clause in Lloyd's Bill

From the Chairman, Liloyd's byelaws. In fact such an amend- safeguard the interests of the grants leading article of January 5 current drafting of Clause 11 Bill." You quite rightly point to Sub-Clause (3) makes it clear reason I am unclear as to why the importance of the Bill, the that restraint on suit only you think that the Clause close examination and wide applies when the Society is creates "a tension between entitled "Tying up the Lloyd's includes just such a limitation; self-regulated market. For this debate which it has already exercising a power or duty received, and the utmost importing imposed by the Act; there is an tance of the legislation being absolute exclusion of any act

necessary to ensure that the Clause 11. Society and Council would not be protected by the provisions emphasise that Lloyd's seeks Lloyd's will for restraint on suit for civil the inclusion of a measure of the Clause the damages if they acted "above restraint upon suit in the Bill. Peter Green. and beyond "the duties imposed not only to safeguard the holder Lloyd's, on them by the new Act and its of a Lloyd's policy, but also to Lime Street, EC3

Secure form of

enacted as soon as possible. done in bad faith; finally, the May I be allowed to deal with general legal right to challenge

My second brief point is to

Sir, I read with interest your ment is unnecessary since the members of Lloyd's by ensuring that they benefit from a properly the interests of those that seek insurance from the market and the members who put up the capital to allow the market to function." It is my profoundly two points raised in your leader. any action of the Council as held view that Chause 11 is the first is your suggestion "uttra vires," remains. This needed for the general interests that an amendment might be right is entirely unaffected by of Lloyd's itself—that indeed that can be its only justification -and that the community of Lloyd's will be better off with the Clause than without it.

markets-there was not much need given the relative stability of interest rates. Today, on a reasonably active day, the Chicago markets will turn over \$40bn worth of these instruments. The reason is pretty obvious to anyone who looks at the record of interest rates over the past two years-unprecedented swings have taken place in extraordinarily short periods. These volatile movements in rates have made long term financing either unobtainable or exorbitantly expensive to the majority of borrowers. Short or medium term financing has now become the rule and borrowers are consequently exposed to considerable fluctuations in the cost of their money. What is

also true for lenders. Virtually every bank, corporation, Government and many individuals have interest rate exposure. Futures offer the opportunity to offset all or part of this risk both easily and cheaply (in transaction cost terms). Conversely, those who are less risk averse, can specu-

true for borrowers is, similarly,

late on anticipated rate changes. Like any financial innovation. interest rate futures have come in for their share of criticism. usually from those who do not really understand them. There is however, no shortage of bankers and corporate treasurers who have found corporate futures extremely useful and versatile. Certainly some of the new contracts proposed by some exchanges may seem a little esoteric but, like any market, their success will ultimately depend on whether there is genuine need and hence usage. To date financial futures have enjoyed a most remarkable suc-

EEC regional fund

strength and smoothness on

APT-E by workers more used

to welding hefly steel structures

to greater tolerances than were

acceptable with aerospace tech-

niques. But these techniques.

so expensive to BR to adopt.

were used for just one train.

new ideas in the experimental

test programme and stretched

the resources of BR's research

and engineering workers. The

APT-E did not make its first

run until five years later in July 1972.

unions "blacked" the train. The unions wanted two driving

seats: British Rail wanted one

seat. The unions won, but the

dispute cost BR a full year in

its test programme.

But the APT-P (for pre-pro-

duction prototype) was to be a

very different train from the

experimental version. Gone was

the advanced aerospace con-

struction technique and in its

place the search started for the

real novelty" of using very

wide, very long aluminium

extrusions automatically welded

together, a technique never

before used by BR. Dr David

duction process started off as

Under the burden of a com-

pletely new production pro-

cess. a new dower source --

electric instead of gas turbine

and design changes with the

Almost immediately the rail

Meanwhile the abundance of

aircraft. were

Sir. — EEC regional fund grants are supposed to be additional to British expenditure and, therefore, readily identifiable as such. Yet the money is, so far as I can see, received from Brussels, put into the national kitty and disappears

of additionality is particularly frustrating to those who support Britain's EEC membership because the public, which hears so much about what the UK puts into the EEC, is denied the chance to hear what we get out of it, especially in areas like Merseyside which do quite well out of the fund.

Labour) and "come clean" on its handling of this money. Andrew Pearce, 30, Grange Road, West Kirby, Wirral,

Direct broadcasting by satellite

From the Director of

Sir.-Mr W. K. Stevenson addressed himself or to the problems of radio frequency management. I could not do juscompass of this letter, but his principal assertion, that the block satellite broadcasting in the foreseeable future, is one which at least I might be permitted to correct.

Last May the Home Office published the report of its study IPBS in the New Year. In the circumstances, Mr

Stevenson's strictures hardly

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We inform the bondholders that 9,000 bonds of nominal each \$US1,000 have been drawn for redemption in the presence of an "Huissier" in Luxembourg on December 21, 1981.

The bonds will be reimbursed at par on February 5, 1982, coupon no. 7 and following attached, according to the modelities of payment on the reverse of the bonds. The numbers of such drawn bonds are as follows: 8134 TO 13844 INCLUSIVE

22845 TO 26133 INCLUSIVE Amount outstanding after February 5, 1982; SUS3.000.000 nominal, The Principal Paying Agent SOCIETE GENERALE ALSACIENNE DE BANQUE 15 Av. E. Reuter, Luxembourg

PORTUGUESE GOVERNMENT
3"0 EXTERNAL DEBT 1902
In accordance with the Law of the 14th
May 1902 and the Docroe of the 9th
August of the same year the Sinking
Fund instalments due 1st January 1982
have been effected by the Junta do
Credito Publico in Lisbon as follows:

1st and 2nd Series Bonds
Details as advertised on 29th December
1981.

3rd Series Reserve.

1981.

The entire listalment has been met by the drawing in Lisbon on 15th November 1981 of 5110 interest bearing bonds of 59,18s.-d. each and 149 interest bearing bonds of £99,10s.-d. each, beving a table value of £76,714.10s.-d. (De:mai equivalent £76,714.50), together with an equal number of non-interest bearing bonds of lent 276,714.50), togother with an equiva-lent 256,714.50), togother with an equ-number of non-interest bearing bonds o £6.12s.8d. and £33.3s.4d. respectively o identical numbers, totalling £25,571.10s.-d (Decimal equivalent £25,571.30), The afore-mentioned drawn bonds are receptable from 1st January 1882 to 37st December 1986 and those stamped by the Purbuguese Financial Delegate for payment in storting may be presented for repayment at the Securities Department Counter of BARING BROTHERS & CO. Limited. 8 Bishopsable. London ECAN 4AE, where lists of the numbers of the bonds and lodgement listing forms for the drawn bonds may be obtained.

TRANSALPINE FINANCE HOLDINGS US530,000,000 634% Loan 1982 FINAL REDEMPTION

FINAL REDEMPTION

Transaiphe Finance Holdings S.A.
announces that for the redemption period
ending on 31st January 1982 it has
purchased and cancelled Bonds of the
stowe Loan for USS146,000 nominal
capital and tendered them to the Trustee.

Notice is accordingly hereby given that
all the outstanding Bonds of this Loan,
amounting to USS2,604,000 nominal
capital, will be redeemed at par on 31st
January 1982, from which date all interest
thereon will-rease.

These Bonds may be presented at the
offices of the paying agents (set out on
the reverse of the coupon) in the manner
specified in Condition 5 of the Terma
and Conditions of the Loan briented on
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payment From the Group Credit Manager, Cope Allman a don ineel International Sir, — Mr. John Brodrick (December 15) talks of · Sere

"secure payment . . . to , re-place the letter of credit," yet we have in a confirmed and irrevocable letter of credit the most secure form of payment one could devise. It guarantees that the banks, in their role as agents to your customer, will pay you. What it requires in return is great care with the presentation of shipping documents that go with the letter of credit, but that is no more than one would expect when a bank is irrevocably committed to paying you simply by accepting a few sheets of paper on

which it must rely as collateral. A letter of credit without confirmation and obligation has never guaranteed payment from-banks or customers. Once it is confirmed and irrevocable, however, then you, the seller, are safe and payment has to be prompt.

L. Scrutov. 37, Hill Street, W1:

Flouting of trade agreements

From Mr D. de Saxe Sir. — In his article of De Success of financial cember 16 your Far East editor raises an issue of the utmost futures significance. Many countries From Mr M. Spencer which do not pursue the concept of free trade impose blocking regulations, weaving an futures market" (December 17) intricate web of red tape so as deserves a reply. to inhibit, if not absolutely to duced domestically. Unfor them, do not exist without a the world in roughly five years, seem justified. tunately, there exist certain reason. Ten years ago there Michael Spencer. D. D. Grant, major trading nations, signa, were no interest rate futures 135, Portland Road, W11.

tories to GATT, whose authorities behave in the same way, deliberately ignoring the concept of trade reciprocity. They also impose a network of absurd but carefully phrased rules and specifications which produce the effect of almost total discrimina-

tion against legitimate imports. Such flouting of trade agreements is widely practised by Japan and is well illustrated by your Far East editor. An effective method by which to bring it to an end is indicated by Italy's sensible attitude to the importation of Japanese motorvehicles. By the imposition of similar blocking tactics, all EEC countries should refuse to import any goods whatsoever of Japanese origin until such time as the Japanese are brought not only to understand their twoway trade obligations but also

to put them into practice. The effect of such action on our economies and manufacturing employment levels would be

remarkable. One becomes tired of the glib response to a suggestion such as I have outlined that import protectionism however disguised, would lead in the long run to reduced export opportunities. When we enjoy no exports to speak of in Japan, what have we to lose? D. A. de Saxe. Milfoil House, Woodpecker Way,

Mayford, Woking, Surrey.

Sir,-David Lascelles' Lombard column, "Gambling on the

Interest rates futures, new cess—they have grown from prohibit, the importation of fangled and fashionable as Mr nothing to become one of the goods competing with those pro- Lascelles accurately describes most heavily traded markets in

From Mr A. Pearce, MEP

This breach of the principle

Let us hope that the British Government will change this policy (which it inherited from

Merseyside.

Information, Home Office

(December 18) did scant justice to the issues to which he tice to these matters in the Home Office intends virtually to

of direct broadcasting by satellite (DBS). In his foreword to the report the Home Secretary said that the Government believed that a positive approach to the challenge which DBS presents was the right one. and that it was prepared to give serious consideration to a modest early start. Comments on the report were invited; many have been received and are being considered; and, in a recent debate in the House of Lords, Lord Belstead indicated that the Home Secretary hoped to be in a position to make an announcement about-

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JANUARY MADNESS

Pleasurama improvement blunted by Gaming Tax

and amusement COLCETT, improved from £4.6m to £5.58m, Mr George Martin, the managing director, says the profits would have been some 1950,000 higher had it not been for the new Gaming Tax

Of this total, he says £650,000 was the group's share of the tax on its two associate companies the Ritz Casino and Casanova Ciab-which were harder hit by the duty than its provincial cashros. However, he regards the overall increase in profits as very satisfactory."

The associates' share of the profits was up from £2.1m to £7.21m Group turnover rose from £12.7m to £16m in the year to September 30 1981. At the interim stage, pre-tax profits increased from £1.53m to £2.09m from higher turnover of E7.18m

The final dividend is noisted from 4.50 to 7p for a total up from 6.5p to 9.5p. A one-for-one

Investment Co. revenue ahead midway

After fax of £22,346, compared with £69,920, revenue of the Investment Company came out ahead from £144.454 to £178.764 for the six months ended September 30 1981

Earnings per 25p share are shown as **2.44**p, against 2.**6**8p, and as usual there is no interim dividend—fast year's single payment was 1.75p net per share. Total income for the half year amounted to £311,374 (£276,154). The ultimate holding company is New Centurion Trust.

Winterbottom **Energy Trust**

Pre-tax revenue of the Winterbottom Energy Trust fell from £767,699 to £351,339 in the year to November 30 1981. The directors point out, however, that the figures cover a transitional year during which the company changed its role from that of an orthodox diversified investment trust to that of a specialist trust investing exclusively in energy and energy related stocks.

A year ago it was estimated that such a portfolio would produce earnings per share of 0.5p and a dividend of 0.5p was forecast. Earnings are in fact 0.72p (2.02p), and the final dividend is 0.45p making 0.65p (2p. after sub-division of shares). Net (82.3p).

Tax for the year took £156,842 (£261,**268**).

YEARLINGS

issues of local authority yearling bonds is 151 per cent, compared with 15% per cert last week and 137 per cent a year ago. A full list of this week's issues will be published in tomorrow's editions.

Pleasurance, the entertainment share rising from film to improvement from provincial fl 24m. After minorities of \$29,000 (£25,000). attributable existing units. This year should

> unities to buy more provincial easinos, and the group is still interested in expanding in Lon-

Commenting on other parts of the group, he says there was "solid growth" in the amusement parks and areades division, with profits up by about 10 per cent. Catering turnover rose by 15 per cent, with a similar in-crease in profits, while dance

Pleasurama's 21 per cent rice in justice for an extra £1m was lost rumours.

ALTHOUGH PRE-TAX profits of £2.37m to £2.76m, with associates' in increased gaming tax. The were 52.79m compared be even better with significant with \$2.21m. Stated earnings per contributions from four new out-5p share rose from 33.5p to 42.8p. lets. The company, particularly The group opened three new with its 25 per cent stake in the casinos during the year and acquired one other. Mr Martin says he believes there are opportunities to law more promising of 64 5m with no harmonics. of \$4.5m with no borrowings. Ex-

pansion is unlikely to encompass diversification, so the shares ould remain the purest casino investment around with about 80 per cent of profits coming from gaming. The 55 per cent rise in the final dividend still leaves the total of 9.5p covered 41 times, yielding 4.6 per cent. The share price fell 5p yesterday to 305p, out this should be set against an this group, which specialises in increase of around 25 per cent the design and manufacture of since October. The P/E of about 7 looks reasonable for District P/E of about 25 per cent the design and manufacture of 25 per cent the design and 25 per cent the design crease in profits, while dance crease in profits, while dance crease in profits, while dance halls increased their contribution by some 10 per cent. Performance overseas was not dramatic"—but this is a very small matic"—but this is a very small profits have risen by 485 per cent profits have risen by 485 per cent can the last five years. over the last five years. Grand Metropolitan still has 28.7 per Pleasurama's 21 per cent rise in cent of the equity, but its Ameripre-tax profits does not do it full
can adventures have stifted bid

Halma rises and pays more after six months

TAXABLE PROFITS of Halma advanced from £678,000 to £837,000 for the 27 weeks to October 3 1981 and the net interim dividend is being effectively increased from 0.468p to 0.561p. A final equal to 0.75p was

It is pointed out that the group, which manufactures safety systems, fire and environmental control equipment and specialised engineering equipment, has contimued to generate cash at a satisfactory rate and that the net cash position at October 3 was significantly higher than a year

The directors say the strength the group has displayed during the recession indicates that its companies are now substantially acclimatised to the conditions. They feel with some confidence that even if the economy were to remain at its present depressed

level the group should be able to look forward to a satisfactory growth in profitability. Turnover for the half year ruse from £7.12m to £8.02m. The pretax profit was after lower interest of £11,000 (£46,000) and the artributable figure, £397,000 attributable figure, £397,000 (£322,060) was after minorities ettributable of £5,000 (£3,000). Stated earnings per 10p share

In December Halma purchased the Hanovia Group of Companies. Their products will "fit well within the environmental control division" and it is believed they had considerable potential for

further development.
Volumatic, bought in January
last year, has proved a very satisfactory acquisition, comfortably exceeding its budgeted profit for

Northern Foods outlook

ment is expected by the chair-man of Morthern Foods, Mr Nicholas Horsley despite the problems he outlines with Government policies, high interest rates on both sides of the Atlantic, and the Common Agricultural Policy. Pre-tax profits ruse by £3.07m to £34.63m for the year to September 30

with two new factories, and Fox's special milks.

On November 10 the company The interest rate on this week's announced a rights issue to raise sues of local authority yearing £41m. The proceeds, says Mr Horsiey, are partly to offset borrowings but also to enable the company "to take advantage of opportunities for further acquisitions."

Avana Group rose to 20.5 per cent in the last financial year. Mr Horsley states that the pro-portionate share of Avana Group profits will be incorporated into the next group accounts.

The company has announced an increase in its authorised capital from £56.5m to ...67.5m by the creation of a

(fil7.88m). Total fixed assets ment to improve efficiency. rose from £151.49m to £169.44m Further funds will be spent at and net current assets were Northern Dairies on developing slightly shead at £27.6m against £25,49m previously. There was a decrease in borrowings of 68 18m compared with an increase last time of £27.21m.

Current cost figures showed pre-tax profits of £26.49m (£24.38m) on turnover of £743.3m (£581.54m).

at £3.37m halfway

DESPITE PRESSURE engineer Howden Group increased taxable profits £3.05m to £3.37m in the first six months to October 31 1981.

Sir Norman Elliot, chairman, says the activity level remained satisfactory, liquidity is sound and the gearing ratio improved. He anticipates that the first half profit trend will continue in the second six months and liquidity will remain strong

The directors intend to declare an interim dividend of 1.45p (1.33p) net per 25p share in March. Last year a total of 4p was paid on taxable profits of 27.75m. Earnings per share for the six months are given as

ment. produced attributable profits of £2.12m (£1.93m).

comment

A now-familiar scene was enacted yesterday when Howden Group brought out modestly improved results and a couple of pence were shared off the share price. Howden shares have easily out-run the market, rising at about 35 per cent a year over a period stretching back to 1974. Now 1500, they seem in recent months to have reached a level from which it will be difficult to stage a further breakthrough. Howden has a good stock of orders, especially in Canada and South Africa, and work on AGR con-tracts will lift profits for two or three years after 1983. From that point, however, assumptions about further demand nuclear nower stations—and gascooled systems in particular-become crucial, and the signs are improved to 2.04p (1.64p). All not favourable. For all that, a fully taxed p/e of 11 discounts comparisons are for a 26-week steady progress over the medium term, in the direction of £84m before tax this year and perhaps £94m in 1983. A yield of 44 per cent emphasises that Howden paper is now quite highly rated. The moment may be approaching exploit this rating in order to broaden its technological range and reduce its dependence on the

Increase in Devenish property value

A property revaluation as at October 2, 1981 has revealed a £26.6m increase in the fixed asset value of J. A. Devenish and Company, Dorset-based

The basis of the revaluation was the market value of proper-1981.

A record capital expenditure
A record any use and the brewery industrial premises were valued on a depreciated replacement value basis. The value of all

properties is now £34m.
In his chairman's statement Mr A. E. Ledger-Hill, who will be retiring at the AGM on January 27 and will be appointed president of the company, says that while beer production nationally was down 5 per cent in 1981, total beer sales of Devenish fell by only 1.7 per

He reports that the company sold a much larger proportion of its own brewed beers. In anticipation of a poor year, overheads and distribution costs were firmly controlled and the loss at the Greenbank Hotel was

The Greenbank has now traded for a full year, having been closed for three months during the previous year. It is now showing continued improvement in all aspects, says Mr Ledger-Hill.

Receivers appointed at Youngers

Guy Parsons and Richard Aguster, pariners in chartered accountants Peat, Marwick, Mitchell and Co, have been appointed receivers and appointed appointed receivers and managers of Younger Furniture. managers of Younger Furniture.
The company manufactures dining room and occasional furniture in London and Andover, and employs 120.
The joint receivers intend to allow the company to trade with a view to salling the business as a soing concern.

Abbey £2.5m expansion

A £2.5m expansion of its toolmaking interests is announced by Abbey, the Dublin housebuilding, property development and industrial group with half its business in the UK.

Under the plan Abbey is to establish a tool room in Dun Laoghaire to manufacture large tools for the computer, furniture, leisure goods and automotive industries.

It is also to set up specialist facilities in Sligo to produce micro-miniature tools for the electronics industry.

UTD, CARRIERS NAME CHANGE

United Carriers proposes to change its name to United Parcels. It is also proposed to restructure the internal trading arrangements of the group. Principal parcel operations will continue to be undertaken by a subsidiary which will change its name to United Carriers.

Howden Gp. Owners Abroad Grp unlisted quotation

THE FULL prospectus is of self-catering holidars over-published for the placing by Le seas. Owners is launching itself Mare Martin of 6m shares in Owners Abroad Group, the com-toric which gives room for a few Market starting next Monday.

The placing is being made at bonuses they paid themselves the 10p a share, par, raising £100,000 for the company (to cover the costs of the reverse takeover) and £500,000 for the vendors of

Owners Abroad.

Owners was caught out holding prices when surcharges were going up in leaps and bounds the record is impressive enough. And uncasts and start growing ruses, according to the directors the unward curve shows no signs of and ACI still fresh in the mind, weakening. The optimism is Owners could have been incided based upon the increasing flow in its timing for a USM launch.

pany which has reversed into pence premium when dealings Kintyre Tea and will be traded start. The directors are not the Unlisted Securities taking much from the issueprevious year as a private com-pany. Capital gain may be more tax efficient but the real motive behind the USM move seems to be the opportunity to use paper to enlarge the lessure interests Also a quote gives the small band Apart from the year when of people running the company comes to stop selling airline ROSEHAUGH, the property 108p before we came on the tickets and start growing roses. company in which Mr Godfrey scene last December," he said, tickets and start growing roses. company in which Mr Godfrey and without our interest it Unfortunately, with Euroflame Bradman, the group chairman, "and without our interest it

The shares in the placing are

being sold by existing share-nolders. Following the placing, Anglo-American Securities Cor-

poration will hold 24 per cent of the shares, First Scottish American Trust 6.4 per cent, Robert Fleming Investment Trust 5.1 per cent, NC Lombard

Street Nominees 84 per cent.
North American Trust 72 per cvent and Possfund Nominees 64 per cent.
Brokers to the placing are Carr Sebag and Co. Dealings

are expected to begin on January 12.

Fledgeling share placing to gain improved status Fledgeling Investments, an The directors intend to recom-investment company formed in mend an unchanged dividend of

1962 by a number of investment 2.175p per share for the current trusts associated with Robert year.
Fleming and Co., is coming to the market with a placing of 2.3m being ordinary shares at 58.5p per share. This amounts to 18.6 per cent of the company's issued

The purpose of the placing, being made by Robert Fleming, is to gain a Stock Exchange listing for Fledgeling to gain approved investment trust status. Fledgeling has a diversified portfolio and has invested in ompanies, both listed and unlisted which, for reasons such as small size, poor marketability, lack of yield or speculative characteristics, were unsuitable for direct investment by its

Net asset value has grown from £2.7m or 21.3p per share at January 21 1976 to £9.5m or 76p per share at December 29 1981. Borrowings at December 11 consisted of a £0.5m 61 per cent debenture stock and £2,000 in had since 1976. A lot of Fledgeling's of heldings have been in the portbank loans. Fledgeling also had liabilities underwriting £35,000.

Gross revenue has grown from £257,000 in the year to January 21 1977 to £470,000 in 1980-81 and £208,000 in the first half of For those interested the current year. Net revenue potential excitement of this type after tax over the same period from £141,000 to £287,000 count to net asset value makes and £121,000 in the first half of Fledgeling look attractive comthe current year. Dividends per pared to recently launched trusts share were 0.825p in 1976-77, with similar policies. The yield rising to 2.175p last year.

SHARE STAKES

John Laing-E. H. Ballard, shares by purchase of 25,000 at director, has acquired 20,000 17p. ordinary shares.

Sphere Investment Trust—
Standard Life Assurance now holds 2,245,000 shares (7.56 per cent)

LONDON TRADED OPTIONS

Vol.

10

119

Total Contracts 1,957. Calis 1,342. Puts 615. April

Vol

61

ordinary shares.
Federated Land-J. H. P.

Meyer, director, has disposed of 1.6m shares and now holds 1.6m shares and now ho 800,000 shares (7.3 per cent). Berwick Timpo—Jove Invest-men Trust on December 23 bought 200,000 shares making bolding 450,000 (8 per cent). Garton Engineering -

December 21 Primrose Hill Securities purchased 40,000 ordinary shares at 21p.
Britannic Assurance -Following upon John A. Jefferson becoming first named executor in

a deceased estate, he now has a non-beneficial interest in 33,890 ordinary stock units. Developments Standard Life Assurance controls, various holdings, through

3,843,970 shares (5.2 per cent). Caravans International - S. Alper, chairman, has increased his holding to 1,018,513 ordinary

C=Call

20 11½ 5½ 1½ 11½ 13 8 6 9 3 11₀

10

10 5

23 3 2

Mika & Sp. (c) Mika & Sp. (c)

Lasmo (d) Lasmo (C) Lasmo (C) Lonrho (C)

Parkland Textile (Holdings)-Paul Henry Thorarinn Hanson director, as trustee acquired 43,204 "A" ordinary (0.80 per cent). Total holding as trustee now 171,860 "A" ordinary (3.19 per cent). Sir Richard Denby director, as trustee acquired 43,204 "A" ordinary (0.80 per cent). Total holding as trustee now 427,678 "A" ordinary (7.9 per cent).

Sterling Industries — Peter Neville Buckley, director, on December 29 1981 disposed of as an executor, 50,000 ordinary.

James Finlay—John Swire and Sons acquired 135,000 ordinary stock units and now holds 17,313,822 ordinary units (29,997

July

Vol.

4 - 2

2

73p

183°

126p"

409p

76p"

125p

428p

866

44

18

11

2

12

15 28

__ __ 20

16

Corre- Total sponding for payment payment Feb. 15

DIVIDENDS ANNOUNCED

0.47* year int 0.56 Pleasurama Winterbottom Energy... Mar 9 Dividends shown pence per share net except where otherwise stated 0.45 * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ After sub-division

Rosehaugh's £19.7m bid for London Shop

Bradman, the group chairman, has a 25.7 per cent interest, yesterday launched a £19.7m bid for the equity and 6.5 per cent convertible of Lendon Shop Property

The offer for the London Shop ordinary is 135p a share, 2p below Monday's close. London Shop shed the 2p margin yesterday to close at the bid level, while Rosehaugh closed unchanged at 250p.

Stock market reaction yesterday was that the bid was unlikely to succeed. London Shop's asset value, diluted for the convertible which is presently under offer, is 209p a share according to its advisers, J. Henry Schroder Wagg. Fully diluted, and allow-ing for London Shop's own proposed merger with its sister company, Beaumont Properties, the figure would still be 198p a share. Mr Bradman was not impressed y this argument last night.
London Shop's share price was

would probably fall back again. Rosehaugh took a 21.4 per cent stake in London Shop at the end of December when it exercised an option to acquire a parcel of shares from McLeod Russell.

January 12.	EUROPEAN OPTIONS EXCHANGE						
e comment	- Luxto	l Fab	. : Ma	e.y	Aug.	t i	
Specialised investment trusts	Series			Lest	Vol. Last	Stock	
have been popular of late, but to Fledgeling shows the merits of p building a highly diversified portfolio of small or unusual equities. Among general trusts,	GOLD C \$4 GOLD C \$4 GOLD C \$4 GOLD P \$3 GOLD P \$4	26 26 50 6 75 —	6,50 8 5 	31 20 5 12 9 19 A		\$403.5	
+ Four have surbassed to	1	jan		prii _	July	E-88.80	
d since 1976. A lot of Fledgeling's beldings have been in the portfolio for some time and now that the liability for capital gains tax is to be lifted, the trust may become a more daring investor. For those interested in the potential excitement of this type of vehicle, the 23 per cent discount to net asset value makes of Fledgeling look attractive compared to recently launched trusts with similar policies. The yield	AICZO P F.22. AMRO C F. KODA C S. HEIN C F. HEIN C F. HEIN C F. HEIN P F. HOOG C F.17. HOOG C F.17. HOOG P F.17.	21	0.70 6 0.80 173 	2.50 A 1.50	1000 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	F.55 \$725 F.48.60 " " " " " " " " " " " " "	
is 5.3 per cent. C STAKE d, shares by purchase of 25,000 at 17p. Bazaloni Holdings — On December 22 Jatel sold to Closerule its holding of 22,500 er shares in Bazaloni (8.99 per cent) at £7 per share. Also Walter H. Duncan and Goodricke sold to Closerule its holding of 74,940 shares in Bazaloni (29.95 per cent) at £7 per share. Wm. Low and Co.—Mr L W. Stewart, director, has disposed of 20,076 ordinary shares, non-	KLM C F.: KLM C F.: KLM P F KLM P F. KLM P F.: KLM P F.: KLM P F.: NEDL C F.: NEDL C F.: NEDL C F.: NEDL C F.: NATN C F.: PHIL C FS2 PHIL P F RD C F. RD C F. RD P F.	20	0.60 102 37 41 41 62 60 121 8.20 114 1178 11 0.30 - 10.50 - 10.50 8 9 178 0.20 8 15.80 0.50 12 0.50 12 0.50 11 1.40 5 6	2 1,60 0,60 	6 5.50 151 2 64 0.90 20 1 1 7	F.140 F.109.30 F.20.50 F.85.50 F.85.70	
penencial. Parkland Textile (Holdings)— Paul Henry Thorarinn Hanson, director, as trustee acquired 43 204 "A" ordinary (0.80 per	MANN C DM. SLUM C VW C . DM. TOTAL VOLUM	550 — 140 10	1.50 110 - 8 2	May 5,50 81 ₂ 3148	21 3	DM:150.58 854;} DM:132	
on cent). Total holding as trustee in now 171,860 "A" ordinary (3.19 per cent). Sir Richard Demby,	A=Ask			C=Call	P=Put		

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An outstanding record over the years
The IC News Letter has made consistently outstanding recommendations for many years. And they have not been confined solely to Nap Selections. For instance, look at the following shares showing percentage increases at postselection highs. 1976 Famell Electric 1977 Automated Security 1977 White Industries 2,340% 3,526%

1978 Basic Resource Int. 1980 North West Mining The average percentage appreciation in the recommendation price of all shares

aus

selected by the IC News Letter in 1977 at their highs (51 in all) was 244%. The 1978 Selections averaged 119% at their highs. In 1981 the News Letter has pinpointed some outstanding opportunities. For

Mitel Corporation Brunswick Corporation: Jackson Exploration

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US \$80,000,000

Medium Term Loen to finance development of the FLIB-120 Brasilia twin turboprop commuter aircraft. The Federative Republic of Brazil

The Royal Bank of Canada Canadian imperial Bank of Commerce **Toronto Dominion Bank**

Co-Managers

Bankers Trust Company

LBI (Canada) Limited

Credit Lyonnais Banco do Estado de São Paulo S.A.

Mismi Agency

National Westminster Bank Group Northland Bank

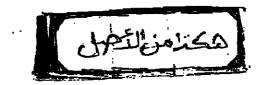


December 1981



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THE Corporate SECTION COVERS SHELL.

SHELL UK
puts mother U.W. on petrol Augi-24e; motorists show beginnings of a
persecution complex as petrol heads for SL70 a gallon Augi-3a; from the
managing director (lat) Augi2-17a; wins NCB order Augi4-11g; Matthew Hall
Engineering are to supply them with electrical work on their NCL plant.
Augi4-11h; asked by Office of Fact Tesding to explain pricing policies Augi4-1g;
Mr. Booth's claim on petrol profit levels rebutted Augi3-6c;

THE PRICE RISE NOTED IS ALSO COVERED IN THE General SECTION, UNDER PETROL.

Petrol: carrying petrol in Explosale containers (metoring column) Ang8-7g;
Prices: Shell to raise the price by 5p Ang 7-5a: Shell puts another 5-5p on
petrol (graph) Ang8-24e; motofists show beginnings of persecution
complex as petrol heads for £1.70 a gallon Aug8-3a; pressure grows for
Office of Fair Trading inquiry on price increases Aug.10-26b: (let)
Aug 14-17b: BP, Esso, Mobil raise their prices Aug 11-5a; (let) Aug 12-17a;
(let) Aug 14-15a; Office of Fair Trading queries petrol wholesalers pricing
policies (graph) Aug 14-1g: (let) Aug 17-17c; Labour Party urges inquiry inte
prices Aug 18-5b; Shell UK attacks allegations by Albert Booth that profit
levels are being understated Aug 18-6c;
Sales: garage at Thornbury sells petrol at 99p a gallon Aug 28-1a.

THE UK SHELL AND UK PETROL ENTRIES BOTH REFER TO MR. BOOTH, WHO HAS HIS OWN ENTRY IN THE Personalities SECTION.

writes to Norman Fowler as ying petrol price increases threaten transport of people & freight Aug 18-6b; claims on pairol prolit

EACH ENTRY CONCLUDES WITH DATE, PAGE AND COLUMN REFERENCE. THE FT'S EIGHT COLUMNS ARE LISTED A-H. THUS Aug 19-6c MEANS THAT THE ITEM APPEARED IN THE ISSUE OF 19TH AUGUST, ON PAGE 6. IN COLUMN 3.

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Fledgeling Investments

Public Limited Company

(Incorporated under the Companies Act 1948 No. 552775)

Placing by

Robert Fleming & Co. Limited

of 2,344,600 Ordinary Shares of 25p each at 58½p per share

payable in full on application

The Ordinary Shares now being placed will rank in full for all dividends hereafter declared or paid on the Ordinary Share Capital of Fiedgeling.

SHARE CAPITAL **Authorised** Ordinary Shares of 25p each 13,200,000 3,300,000

INDEBTEDNESS

At the close of business on 11th December, 1981 Fledgeling had underwriting liabilities of £35.500, and had outstanding unsecured bank borrowings of £2,100 and £500,000 6¼ per cent. Debenture Stock 1988/93 secured by a first floating charge on the assets of Fledgeling. Save as aforesaid, at that date Fledgeling had no loan capital (including term loans) outstanding or created but unissued, and had outstanding no mortgages, charges, or other borrowings or indebtedness in the nature of borrowing, including bank overdrafts and liabilities under acceptances, or acceptance credits, hire purchase commitments, guarantees or other material contingent liabilities.

DEFINITIONS

Fledgeling

Hobert Fleming

Assets

Robert Fleming Holdings

Robert Fleming Investment

Management

Robert Fleming Services

Robert Fleming Group

- Fledgeling Investments Public Limited Company

Issued and fully paid

12,569,480

- Robert Fleming Holdings Limited

- Robert Fleming & Co. Limited, a wholly owned subsidiary of Robert Fleming Holdings

Robert Fleming Investment Management Limited, a wholly owned subsidiary of Robert Fleming Holdings

- Robert Fleming Services Limited, a wholly owned subsidiary of Robert Fleming Holdings

- Robert Fleming Holdings, its subsidiaries and associated companies

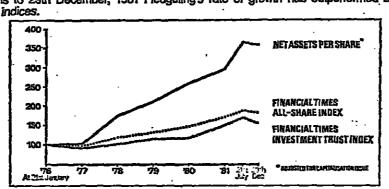
SELECTED INFORMATION

The following information is derived from the full text of this document and accordingly must be read in conjunction with that text.

Fledgeling was formed by a number of investment trusts associated with Robert Fleming so that they could have a vehicle for investing in companies, both quoted and unquoted, which, for various reasons such as smallness, poor marketability, lack of yield or speculative characteristics, were unsuitable for direct investment by them. Fledgeling holds a broadly diversified portfolio of investments with no restrictions as to business sector. The majority of the unlisted investments are in established companies and only occasionally does Fledgeling invest in venture capital "start-ups". It is the intention of the Directors to continue this investment policy.

CI	nd Siziistics	
	Placing price per share	58.5p
	Estimated net asset value per share	76.0p
	Discount on estimated net asset value	23.0%
	Dividend forecast for year ending 21st January, 1982 (net) per share	2,1750
	Yield (gross annual equivalent) at the placing price	5.3%
	Issued Ordinary Shares	12,569,480
	Market capitalisation at the placing price	£7.3m
	11101 USI ASHIGNOSTICK II IS PICENT B PI DA COMMISSIONI COMMISSIONI COMPANIONI COMPANION	20 10111

Over the period from 21st January, 1976 to 29th December, 1981 (the latest practicable date before the issue of this document) Fledgeling's net assets grew from 21.3p per share to an estimated 76.0p per share (adjusted in each case for the capitalisation issue effected on 5th January, 1982). This performance is reflected in the graph below and is compared with the Financial Times-Actuaries All-Share and Investment Trust indices. Over the five years, eleven months to 29th December, 1981 Fledgeling's rate of growth has outperformed both of



Over the five years, eleven months to 29th December, 1981 Fledgeling's net assets per

BOARD OF DIRECTORS

DAVID MITCHELL COOKE DONALD, W.S., F.C.I.S. (Chairman), 8 Crosby Square, London EC3A 6AN

ALEXANDER KIDD AITKENHEAD, C.A., Belsize House, West Ferry, Dundee DD5 1NF

GERALD JAMES AULDJO JAMIESON, 8 Crosby Square, London EC3A 6AN

ALLEN EDWARD WYNN RUMSEY, M.C., F.C.A., 72 London Wall, London EC2M 5NH

ANDREW MICHAEL USHER, 46 Castle Street, Edinburgh EH2 3BR

Investment Manager
ROBERT FLEMING INVESTMENT MANAGEMENT LIMITED, 8 Crosby Square, London ÉC3A 6AN

Issuing House ROBERT FLEMING & CO. LIMITED, 8 Crosby Square London EC3A 6AN

Solicitors LINKLATERS & PAINES, Barrington House, 59-67 Gresham Street.

London EC2V 7JA

Bankers ROYAL BANK OF SCOTLAND,

Secretary and Registered Office
ROBERT FLEMING SERVICES LIMITED,
P&O Building (2nd Floor),
122 Leadenhall Street,
London EC3V 4QR

Brokers CARR, SEBAG & CO., Windsor House, 39 King Street, London EC2V 8BA

Auditors and Reporting Accountants ERNST & WHINNEY, Chartered Accountants, 57 Chiswell Street, London EC1Y 4SY

Registrars and Transfer Office GRANBY REGISTRATION SERVICES, Bourné House, 34 Beckenham Road Beckenham, Kent BR3 4TU

≥,

1.6

18

15

1,5

1.1

55.8

21

16

Trustees to the Debenture Stockholders
ALLIANCE ASSURANCE COMPANY LIMITED, 1 Bartholomew Lane, London EC2N 2AB

INTRODUCTION

Fledgeling was incorporated in England on 30th July, 1955 under the name of Atomic Securities Trust Limited. On 12th April, 1962 Fledgeling adopted the name Fledgeling Investments Limited and commenced business in that year. Between 1962 and 1970 Fledgeling increased its paid-up capital from £80 at 21st January, 1962 to £1,571,185 at 21st January, 1971 by way of rights issues and placings at net asset value. On 5th January, 1982 the paid-up capital was increased to £3,142,370 by way of

capitalisation issue. The Board of Fledgeling has been considering how best to deal with the potential capital gains in its investment portfolio. If all Fledgeling's investments had been realised at 29th December, 1981, the latest practicable date prior to the issue of this document, there would have been a liability for corporation tax on its capital gains of approximately £1.56 million. Such amount would (after adjustment for the capitalisation issue effected on 5th January, 1982) represent 12.4p per share out of the estimated net asset value of 76.0p per share. Fledgeling is subject to corporation tax on its capital gains because, not having a listing for its ordinary share capital on a recognised stock exchange, it does not comply with section 359 of the Taxes Act 1970 (as amended) and is not therefore an approved investment trust. In all other respects Fledgeling has complied with that section. In addition, whilst Fledgeling satisfies the requirements for treatment as an investment company under section 41 of the Companies Act 1980 and has given notice to the Registrar of Companies accordingly, it may not make a distribution out of undistributed revenue reserves by virtue of section 41 (1) unless its shares are listed on a recognised

Fledgeling is therefore seeking a listing on The Stock Exchange in order to gain Inland Revenue approval as an approved investment trust. Subject to approval being granted, Fledgeling will be able to operate as an approved investment trust from the beginning of its financial year commencing 22nd January, 1982, and the Directors intend to conduct Fledgeling's affairs in such manner as to ensure that such approval will continue.

It is the present intention of the Directors of Fledgeling to recommend that, subject to approval by the shareholders and by the Department of Trade, Fledgeling's name be changed in 1982 to The Flemling Fledgeling Investment Trust Public Limited Company.

INVESTMENT POLICY

Fledgeling was formed by a number of investment trusts associated with Robert Fleming so that they could have a vehicle for investing in companies, both listed and unlisted, which, for various reasons such as smallness, poor marketability, lack of yield or speculative characteristics, were unsuitable for direct investment by them. Fledgeling has held a broadly diversified portfolio of investments with no restrictions as to business sector. The majority of the unlisted investments are in established companies and only occasionally does Fledgeling invest in venture capital "start-ups". Fledgeling has derived its income mainly from shares and securities but has invested with a view to capital appreciation

It is the intention of the Directors to continue this investment policy subject to the restrictions set out below. Although the Articles of Association of Fledgeling do not limit the discretion of the Directors as regards investment policy, the Directors intend to ensure that the purchase of new investments or the lending of money will not itself cause:-

(i) more than 10 per cent by value of the assets of Fledgeling before deducting borrowed money ("the Assets") to be lent to or invested in the securities of any one company (other than those of a company which has been approved as an investment trust by the Inland Revenue or which would qualify for such approval but for the fact that it is not listed);

(ii) more than 25 per cent, by value of the Assets to be invested in the aggregate of:-(a) securities not listed on any recognised stock exchange (for which purpose securities quoted on the NASDAQ system in the USA and Canada will be treated as listed securities); and

(b) holdings in which the interest of Fledgeling amounts to 20 per cent, or more of the aggregate of the equity share capital, including any capital having an element of equity, of any one listed company (other than a company which has been approved as an investment trust by the Inland Revenue or which would qualify for such approval but for the fact that it is not listed).

FIVE YEAR RECORD

Assets
Over the five and a half years to 21st July, 1981 Fledgeling's net assets, based on audited figures, grewfrom £2,675,850 (equivalent to 21.3p per share") to £9,724,608 (equivalent to 77.4p per share"). At 29th December, 1981 the estimated net asset value, derived from a valuation of the investment portfolio as at that date made on the same accounting bases as are set out in the Accountants' Report (Note 1 to the Balance Sheet) less the estimated liabilities as at 11th December, 1981 (the indebtedness date), was £9.5 million (equivalent to 76.0p per share"). The change in the net asset value of Fledgeling over the five years, eleven months to 29th December, 1981 compared with the changes shown by the Financial Times-Actuaries All-Share and Investment Trust indices as at the end of the month in which Fledgeling's accounting period ended has been as follows:—

ervoranti Astori	Hedgeling			al Times- Indes Index	Financial Times- Actuaries Investment Trust Index		
 At 21st January 1976 1977 1978 1979 1980 1981 At 21st July; 1981 At 29th December; 1		Parcentage change over previous period 0.5.73.8 20.0 23.0 14.4 23.2 (1.8)	Index 172 166 204 223 252 289 319 310	Percentage change over previous period (3.5) 22.9 9.3 13.0 14.7 10.4 (2.8)	Index 185 168 187 211 218 276 311 285	Percentage change over previous period (9.2) 11.3 12.8 3.3 26.6 12.7 (8.4)	
Change over 51/z ye to 21st July, 1981	ears	+263%		+85%		+68%	
Change over 5 year to 29th December, 1	rs. 11 months 981	+257%		+80%		+54%	

Revenue and Dividends

The record shown by Fledgeling's audited revenue accounts for the five years ended 21st January, 1981 together with the six month figures to 21st July, 1981 are set out below in the Accountants' Report A summary of these figures is as follows:—

•		6 months ended -21st July				
	1977	1978	1979	1950	1981	1981
	£000	£000	£000	2000	2000	2000
Gross revenue	257	294	319	400	470	208
Expenses -	42	41	50	49	57	33
Taxation	215	253	269	351	413	175
	74	86		101	126	54
Net revenue after taxation	141	1 <i>67</i>	173	250	287	121
Dividend	104	116	129	233	273	
Surplus Dividend per share (net)*	37 0.825p	51 0.92p	1.027p	17 1.85p	2.175p	121

It will be seen from the above table that, during the five years ended 21st January, 1981, gross ed from £257,000 to £470.000. Expenses tose from £42,000 to £57,000 and net revenue after taxation rose from £141,000 to £287,000.

In respect of the five years to 21st January, 1981 Fledgeling's dividend payments have grown at an annual compound rate of 23.73 per cent.

*adjusted for capitalisation issue

CURRENT PORT	FOLIO	
The breakdown by value (unaudited), on the basis the Balance Sheet), of Fledgeling's investment portfolio at	set out in the Accountant 29th December, 1981 wa	s' Report (Note 1 to s as follows:-
Listed in the UK Listed outside the UK Unlisted	£000 7,651 732 1,409	Percentage of Pontolio 78.1 7.5 14:4
The distribution of these investments on a percer	9,792 niage basiș at 29th Dece	100.0 mber, 1981 was as

Countries % United States % **EQUITIES** Capital Goods Group Building and construction Electrical (heavy) 0.7 16.0 5.4 12.5 Engineering 125 Consumer Goods Group (Durable) Electrical (light) 72 12 8.4 Consumer Goods Group (Non-Durable) Entertainment and catering Household goods Newspapers and publishing 0.4 0.9 0.6 Paper and packaging 22 28 1.0 1.0

22 1.1 . Toys and games Other Groups Chemicals 0.7 0.4 Motors and distributors 1.3 1.7 8.6 Office equipment Oii and gas 1.5 4.7 liscellaneous unclassified 10,3 0.6 Financial Group Finance 6.3 1.1 0,3 Property 1.1 Commodity Group Metal and minerals 32 24 0.7 24 86.9 9.5 1,3 97.7 CONVERTIBLE STOCK 1.0 1,0 FIXED INCOME. 9.5 1.3 89,2

The twenty largest holdings by value (unaudited), on the basis set out in the Accountants' Report (Note 1 to the Balence Sheet), at 29th December, 1981 were as follows:—

Cost £000 Value 2000 Percentage of Portfolio 1. United Scientific Ordinary shares LUK Holdings PLC 21 812 2. HAT Group Limited Ordinary shares ШΚ 237 637 65 3. Fameli Electronics Ordinary shares ШK 30 418 43 4. Carless Capel & Leonard PLC Ordinary shares LUK 92 415 42 Barratt Developments Limited Ordinary shares LUK 95 378 6. Automated Security (Holdings) Limited Ordinary shares 8 370 38 7. London United Investments Limited LUK Ordinary shares 93 318 33 8. Mercantile House Holdings Limited *Ordinary shares LUK **62** 236 24 9. Hunting Associated Industries PLC Ordinary shares 38 210 22 10. Diploma Limited Ordinary shares LUK 21 200 20 11. Fuller Smith & Turner Limited 'A' Ordinary shares 74 177 Common stock 1.8

12. Vidal Sassoon Inc. U 48 175 13. Glass Glover Group Ordinary shares LUK 26 161 14. United Engineering Industries PLC Ordinary shares LUK - 52 153 15. Hunting Gibson PLC Ordinary shares LUK 113 151 Office and Electronic Machines Limited Ordinary shares LUK 42 150 17. Hunting Petroleum Services PLC Ordinary shares LUK 84 18. Esperanza Limited Ordinary shares ШК 120 19. Sound Diffusion Limited Ordinary shares LUK 62 110 20. Huntleigh Group Limited Ordinary shares LUK 107

Note: LUK-Listed in UK LO -Listed overse U -Unlisted The unlisted investments (valued by the Directors at more than \$500) at 29th December, 1981 Were as follows:-

1,360

5,466

135

In United Kingdom Adnams Co. Limited—"B" Ordinary shares
Aerospace Engineering PLC—Ordinary shares
Adantic Resources Limited—Ordinary shares
Barrowmill Limited—Ordinary shares Charthire Services Limited - Cumulative preference shares
Charthire Services Limited - Ordinary shares 38 Deblinaire Limited - Loan 1985 Delterne Holdings Limited - Ordinary shares 50 14 Equipu PLC—Ordinary shares
Equipy Finance Limited—Loan 1985
Fuller Smith & Turner Limited—A' Ordinary shares
Ireland Alloys (Holdings) Limited—Ordinary shares
Ireland Alloys (Holdings) Limited—Ordinary shares
Robert Jenkins (Holdings) Limited—Ordinary shares
LPA Industries Limited—Ordinary shares
LPA Industries Limited—Ordinary shares
James A Laidiaw (Holdings) Limited—Ordinary shares
Markheath Securities PLC—Cumulative convertible preferred shares
Pict Petroleum Limited—Ordinary shares
Sparverne Investments Limited—Ordinary shares
Star Computer Group PLC—Ordinary shares
Telema (UK) Limited—IV Ordinary shares
Telesel Services Limited—Convertible subordinated ULN 87/90
Tesel Services Limited—Ordinary shares
Tindent Computer Service PLC—Ordinary shares Equipu PLC-Ordinary shares 32 50 10 30 Trident Computer Service PLC-Ordinary shares 815 1,108 In United States IMED Corp.—Common stock Orange Medical Instruments—Common stock

Vidai Sassoon Inc.-Common stock

Total

100

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13% rise in new premiums at Norwich Union . . .

20 per cent increase in new group pension premiums were business more than doubled from The decline came in the sion premiums 25 per cent higher wide life and pensions business (£28.9m) to the sion premiums 25 per cent higher pensions market where group at £4.5m.

Overseas annual premiums annual premiums dropped 12 per Total funds in the Society's

good life figures being offset by on its unit-linked business; the Clerical, Medical and a dull pensions market. Life Annual premiums on linked life General Life Assurance Society

From 184.3m to 172.7m is Single premium business in were 42 per cent higher at Union Insurance Group, while the UK was nearly 13 per cent fill-4m (£13.6m), while single premiums on world-wide to per cent from business rose 16 per cent from business was much stronger here, higher at £3.6m (£6.8m). The business was much stronger here, higher at £3.6m (£6.8m). The society has

through premiums on linker life deneral Life Assurance outled, the finance of the first premiums of linker life deneral Life Assurance outled, the finance of the finance of the first premiums of linker life deneral Life Assurance outled, the finance of the first premiums up by the insured scheme, but too small to 130.7sm, but self-employed £300,000, but single premiums slightly from £22.7m to £22.3m, 9 per cent to £14.6m, self-employed premiums up by 27 per is a choice of two funds—a mixed ally from £21.3m and premiums on linked pensions per cent from £15.8m to £17.6m. cent to £2.9m and directors pen-employed premiums up by 27 per is a choice of two funds—a mixed fund and a cash fund.

business rose 16 per cent from self-employed premiums increas large gains were recorded in 1500,000 to £400,000. The Society's cent to £130m. The Society has ling from £4.1m to £7.5m. Group countries with strong economies life business had a good year now launched a managed fund with annual premiums jumping investment service for pension at £53.3m. against £50.7m, with The group had a mixed result premiums business is reported by 30 per cent from £4.1m to £7.5m. Group countries with strong economies with annual premiums jumping investment service for pension at £53.3m. against £50.7m, with The group had a mixed result pusions business is reported by 30 per cent from £5.3m to 20,000 to £400,000. The Society's cent to £130m. The Society has life business had a good year now launched a managed fund with annual premiums jumping investment service for pension 29 per cent from £5.3m to 2 schemes—increased by 30 per cent to £130m. The Society has now launched a managed fund with annual premiums jumping investment service for pension 29 per cent from £5.3m to 2 fine business had a good year now launched a managed fund with annual premiums jumping investment service for pension 29 per cent from £5.3m to 2 fine business had a good year now launched a managed fund with annual premiums of investment service for pension 29 per cent from £5.3m to 2 fine business had a good year now launched a managed fund with annual premiums of investment service for pension 29 per cent from £5.3m to 20,000 to £400,000. The Society's cent to £130m. The Society's cent to £130m. The society is constituted by 30 per cent from £5.5m to £500,000 to £400,000. The Society's cent to £130m. The Society's cent to £130m. The Society's cent to £130m. The society is constituted by 30 per cent from £5.5m to £500,000 to £400,000. The Society's cent to £130m. The Society's cent to £130m. The Society is constituted by 30 per cent from £5.5m to £500,000 to £400,000. The Society is cent to £130m. The Society is constituted by 30 per cent from £5.5m to £500,00 record £6.8m. of the year, aimed primarily at The pensions market was much those funds seeking separate

HIGHER RATES of reversionary raised last July—the scale range rate on its with profit pension. On the main individual life unchanged at the bonus have been declared for ing from £40 per £1,000 of the contracts to £4 per cent of the contracts, the rate is lifted 10p announced last October. 1981 by the Norwich Union Insur-

(172)

334

155

376

440

195

per cent. The rates for Flexinension and Superannuation (Second Series) are increased by 20p to £4.60 per cent of the basic benefit and £7.10 per cent of attaching bonuses. On group policies the rate is lifted 20p to £5.50 per cent

have been declared for 1981 by the Medical Sickness Society on

Mersey Docks further payment

BY RAY MAUGHAN

loan stock.

10p per £1 unit at a cost of just sued in 1974 in accordance with the capital reconstruction scheme whose provisions required that tribution to stock holders. Faced with falking volume and the consequent need to make

costly severance payments. Mersey Docks has been losing heavily in recen tyears. In the nine years to 1980, the company had lost some £36m largely as a result of redundancy bills. In the first half of last year it incurred a further deficit of £2.74m. But the price of the stock units has fluctuated wildly since 1974 and were quoted yesterday at 21p against a low for last year of 6%p. The Government controls 20.67 per cent of the stock, clients of London stock-brokers Greene and Co and Walter Walker have substantial

The Mersey Docks and from the land vested last June Harbour Company is to pay a in the Merseyside Development further 2p per £1 unit to holders Corporation (MDC) for which the of the subordinated unsecured docks company is now negotiatdocks company is now negotiating compensation.

Advance payments for 6.64 The payment, which will be Advance payments for 0.02 made following publication of acres in Sefton and 19.44 acres the accounts this summer, brings in the wirral, at £144,000 and the total redemption so far to £202,500 respectively, have been received representing 90 per cent over £2m. The loan stock was of the valuation given to the Corisued in 1974 in accordance with poration by the district valuer. Mersey Docks is still locked in negotiations for compensation for all net proceeds of land sales 400 acres of land in Liverpool and part of any profits be paid South Docks. The resultant prointo a redemption fund for disceeds, however, will not, under 400 acres of land in Liverpool the terms of the loan stock deed,

be payable before 1983.
Opinions vary considerably as
to the final settlement of the South Docks valuation. "There'il be a riot if the board agree to 10p per stock unit—or a little above £2m-for the 400 acres, says one investor. Top estimates give a possible redemption sum of 30p-35p for South Docks. Relations between the Mersey

Docks board and the advisory committee appointed to supervise the loan stock redemption have been strained in the past by the the company still holds certain question of rental income. Stock holders have pressed for dis- Albert warehouses posals wherever possible or for In the meantime, the Govern-

BOARD MEETINGS

The following compenies have notified dates of board meetings to the Stock Exchange. Such meetings are usually hald for the purpose of considering dividends. Official indications are not evallable as to whether dividends are interims or finals and the subdivisions of them.

shown below are based mainly on less year's timetable. Interims: Brown and Towee, City of London Trust. Quest Automation, Technology Investment Trust.
Final: McCorquodele.

	Final: McCongrossie.	
	FUTURE DATES	
	Interims—	
ı	Alked Colloids	Jan 13
	Burt Boulton	Feb 5
	Fitch Lovell	Jan 28
	Newmark (Louis)	Jan 21
	Regional Properties	Feb 1
	Restmor	Jan 18
	Samuel (H.)	
	Thorn EMI	
	Wigiall (Henry)	
	Finals—	54.1
		Jan 14
	Bett Bros.	Jan 12
		Jan 11
	Darby Trust	Jan 21
	Ley's Foundries & Engineering	Jan 8
		Jan 13
	In This A hard 1180; Walthille	

holders have pressed to posals wherever possible or for the distribution of net rents ment has insisted that Mersey Docks, like its London counter-based base here retained. holdings and Mr David Abell, a where land has been retained. Docks, like its London counterboard members and the chair. The powers given by the pari, achieve a break even posiman of Suter Electrical, is Government for compulsory puranother major holder. Government for compulsory purthe dispusals effected last year the dispute, or the large part of and to both ports will be raised and those expected in 1982 stem it, in stock holders' favour but from £200m to £360m.

and reversionary bonus rates are increased

1981 by the Nerwich Union Insur-sum assured for contracts taken basic benefit and £6.25 per cent out in 1977 to a maximum of of attaching bonuses from £3.85 mutani like commanies in the mutual life companies in the effected in 1981 or earlier.

The rate for individual life and endowment contracts is raised by 10p to \$4.60 per cent of the sum assured and attaching bonuses. The rate for contracts taken out before 1965 is increased by 50p to \$7.50 per cent of the sum assured for endowments, and to £8.50 per cent of the sum assured for whole

However, the company is main-taining the terminal bonus rates per cent of attaching bonuses. which will be announced at the at the levels to which it was it is however, increasing the end of March.

*Cee DD5 1/16

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The rate for self-employed pension contracts is lifted 15p to bonus rates paid on claims 25.75 per cent of the basic benefit and attaching bonuses, with the terminal bonus scale kept at the basic benefit after 10 years in level fixed the previous July. Sun Alliance and London
Assurance Company, a member
of the Sun Alliance Insurance
Group, is also keeping at bonus rate unchanged for 1981 on individual life policies, at £4 per

The company has also sub-

basic benefit after 10 years in force to a maximum of £15 per force to a maximum of £15 per £1,000 for 40 or more years in force. The previous scale ran from £1,50 to £12,50 per £1,000. Scotish Amicable is increasing its rates of intenim reversionary bonus, ahead of the full declaration for 1981, which will be appropried at the

assured and £5.50 per cent of attaching bonuses. On the second series Flexidowment, the basic rate is improved 10p to £4.20 per cent of the sum assured, while the rate applied to attaching bonuses is improved 15p to £6.50

on the benefit secured.

The company is however
keeping its terminal bonus rate

age points to 63 per cent at age
60, 53 per cent at age 65 and
43 per ceit at age 70.

D. Capital Reserves

Opening balance Net profit (loss) on realisation of

its life and pensions business.
For life policies the rate is lifted 25p to £5.25 per cent of the sum assured and attaching bonuses. However, the terminal bonus rate is maintained at 25 per cent of all existing bonuses. On personal pension contracts taken out from April 1977, the reversionary bonus rate is in-creased 50p to £6.50 per cent compound. But the vesting bonus rates are lowered by 2 percent-

(ii) On a show of hands every member present in person (or, if a corporation, present by a duly authorised representative), and entitled to vote, shall have one vote and upon a poll every member present in person or by representative as aloresaid or by proxy, and entitled to vote, shall have one vote for every share of which he is the holder. The capital reserves of Fledgeling for the periods under review were as follows:-Year onded 21st Januar A Director shall not require a share qualification.

(a) Save as provided below, a Director may not vote in respect of any contract or arrangement in which he has any material interest other than by virtue of his interest in shares or determines or other securities of or otherwise in or through Fiedgeling. A Director may not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.

(b) Subject to the provisions of the Companies Acts a Director shall (in the absence of some other material interest than is indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters, namely:—

(i) the giving of any security or indemnity to him in respect of money lent or obligations incurred by him at the request of or for the benefit of Fledgeling or any of its subsidiaries; (ii) the giving of any security or indemnity to a third party in respect of a debt or obligation of Fledgeling or any of its subsidiaries for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity of he the minima of committee.

its subsidiaries for which he immensues account indemning or by the giving of security; (ii) any proposal concerning an offer of shares or debentures or other securities of or by Fieldgeling or any of its subsidiaries for subscription or purchase in which offer he is or is to be interested as a participant in the traceward or sub-underwring ansecu; (n) any proposal concerning any other company in which he is interested, directly or indirectly and whether as an officer or shareholder or otherwise howspewer, provided that he (together with persons connected with him within the meaning of section 64 of the Companies Act 1980) is not the holder of or beneficially interested in one per cent, or more of the issued startes of any class of such company (nor dany third company (tough which his interest is derived) or of the voting rights available to members of the relevant company (any such interest being deemed for the purposes hereof to be a material interest in all circumstances);

(v) any proposal concerning the adoption, modification or operation of a superannuation fund or refferment benefits echeme under which he may benefit and which has been approved by or is subject to and conditional upon approval by the Board of Inland Revenue for laxation purposes or of any Employees' Share Scheme, as defined by section 87 (1) of the Companies Act 1980.

Section 185 of the Companies Act 1948, relating to the retirement and reappointment of Directors who have attained the age of 70, shall apply to Fledgeling.

The remuneration of the Directors for acting as such shall be such sum as may be determined by the company in general meeting, if the period of service is less than one year the respective remuneration will be reduced.

Directors shall be entitled to be repaid all reasonable expenses incurred in or about the performance of their duties, including any expenses incurred in attending meetings. Any Director who in the opinion of the Directors undertakes tasks outside the normal duties of a Director acting as such may be paid such additional remuneration therefor as the Directors may determine:

remuneration therefor as the Directors may determine;

The Directors may pay pensions, or other retirement, superannuation, death or disability benefits, to (or to any person in respect of) any Director or ex-Director who may hold or have held any executive office or any office or place of profit with Fledgeling or any of its subsidianes.

(ix) The Directors may exercise all the powers of Fledgeling to borrow money and to mortgage or charge its undertaking, properly and uncalled capital, and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of Fledgeling or of any third party, provided that the aggregate principal amount outstanding in respect of borrowings by Fledgeling end/or any of its subsidiary companies (exclusive of intra-group borrowings) shall not at any time without the previous sanction of an ordinary resolution of Fledgeling exceed an amount equal to the share capital and consolidated reserves (as defined in the Articles).

3. Directors' and Other Interests

A. (a) The beneficial interests of the Directors in the issued share capital of Fledgeling immediately after completion of the Placing Agreement referred to in paragraph 4 below will be as follows:--D.M.C.Donald A.K.Aitkenhead G.J.A.Jamieson

A.E.W.Rumsey A.M.Usher	2,000 Nii			
holdings tepresenting more than five per cent. of the in the Placing Agreement will be as follows:	issued share capital of Fled	geling immediately		
Anglo-American Securities Corporation PLC The First Scottish American Trust Co. PLC Robert Fleming Investment Trust Ltd. NC Lombard Street Nominees Ltd.	Ordinary Shares 3,018,000 800,000 642,000 1,050,000	Parcentage 24.0 6.4 5.1 8.4		
The Northern American Trust Co. Pl.C.	900,000	72		

Possiund Nominees Ltd. 200,000 (c) Apart from the holdings set out above and the interest of Robert Fleming arising in consequence of the Agreement, the Directors are not aware of any shareholding which will represent more than five per cent, of the

issued strate capital of Piecosing.

8. (a) None of the Directors of Fiedgeling has a service agreement with Fiedgeling and no such contracts are presently proposed. For the year ended 21st January, 1961 the aggregate empluments of the Directors were £4,000 and under the arrangements in force at the date hereof their empluments for the current financial period are £4,000.

(b) Mc D.M. C. Donald and Mr. G. J. A. January sometiment of Robert Fierning Flodings, which is the holding company of Robert Fierning, Robert Fierning Investment Management and Robert Fierning Services. Details of the arrangements between Fledgeling and such companies are set out in paragraphs 4 and 5 below. Robert Fleming Holdings is also the holding company of Robert Fierning Investment Tirist Limited.

(c) Serve as aloresaid, (i) there is no contract or amangement subsisting as at the date of this document in which a Director is materially interested and which is significant in relation to the business of Fledgeling and (ii) no Director has any interest, direct or indirect, in or in the promotion of any essets which, within the two years preceding the date hereof, have been or are proposed to be acquired or disposed of by or leased to Fledgeling.

4. Placing Agreement with Robert Fleming

4. Placing Agreement with Robert Fleming

By an agreement (the Placing Agreement) dated 5th January, 1932 Robert Fleming has agreed, subject to the whole of the issued share ceptal of Fledgeling being admitted to the Official List not later than 15th January, 1982, to purchase 2,344,600 Ordinary Shares of 25p each at a price of 58,03p per Ordinary Share from the shareholders of Fledgeling named below ("the Selling Shareholders") of which 1,322,300 such Shares are part of mose allotted by way of capitalisation of reserves on 5th January, 1982 and 1,022,300 such Shares. ("the Registered Shares") is an registered in the names of the Selling Shareholders, and to effect a placing of all such Shares. Under the Placing Agreement the Directors of Fledgeling have given Robert Fleming certain warranties concerning the stitus; of Fledgeling. The Selling Shareholders are responsible for the payment of stamp duty on the transfers of the Registered Shares to the purchasers from Robert Fleming or their renouncees. Under the Placing Agreement Fledgeling will pay the costs of and incidental to the preparation, printing, publication and advertising of this document. The increase of Fledgeling's authorised share capital, amendments to the Articles of Association, and all accountancy expenses, its own legal expenses, at fee of \$25,000 to Robert Fleming and the leas payable bythe brokers and The Stock Exchange. These expenses are estimated to amount to \$100,000 exclusive of VAT, in addition, Robert Fleming is entitled, for each Ordinary Shares are placed, to relain it will pay a commission to the brokers and its own legal expenses.

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Nement Shareholders	Numberal Ordinary Shares Sold
•	Shares Sold
The Guardian investment Trust, pic	100.000
London & Montrose Investment Trust pic	263,000
The London and Provincial Trust pic	526.000
North Atlantic Securities Corporation PLC	730,000
Posstund Trustees Ltd.	200.003
United British Securities Trust plc	525,600
ares being sold by Possfund Trustees Ltd. are registered in t	he name of Posstund Nominees
nntracte	

as Lid. The sha 5. Material Co. The following contracts, not being contracts entered into in the ordinary course of business, have been entered into within the two years preceding the date of this document and are or may be material.—

Agreement disted 5th January, 1982 between the Selling Shareholders, the Directors, Fledgeling and Robert Fleming, being the Placing Agreement reterred to above.

Agreement dated 26th May, 1981 between Fledgeling, Robert Flaming Investment Management and Robert Flaming Services whereby:

Robert Fleming Investment Management has agreed to act as investment manager to Fledgeling for a fee
payable quarterly in americs. The fee is £20,000 per arrain, subject to review on 1st April, 1982 and annually

(i) Robert Fleming Services has agreed to act as company secretary and provide secretarial, administrative and accounting services to Fledgeling for a fee, payable out of the above-mentioned fee payable to Robert Fleming Investment Management, in an amount as agreed between Robert Fleming Investment Management and Robert Fleming Services.

(iii) In addition to the above-mentioned feas, Fledgeling has agreed to pay professional fees properly incurred by Robert Fleming Investment Management and Robert Fleming Services in the performance of their duties. The agreement is terminable upon the giving of not less than two years notice by Robert Fleming Investment. Management or Fledgeling in any terminate the agreement by shorter notice in pays to Robert Fleming Investment have given the stream of Fledgeling may terminate the agreement by shorter notice if it pays to Robert Fleming Investment Management a sum equal to the remuneration payable to Robert Fleming Investment. Management under the agreement for the two years from the date of the notice.

6. General A. Fledgeling is not engaged in any litigation and does not have any claim of material importance pending or threatened against it.

 Emst & Whitney have given and have not withdrawn their written consent to the issue of this document with the inclusion of their report in the form and context in which it is included. C. Copies of the above mentioned consent, a statement of the adjustments made by Ernst & Whinney in arriving at the figures set out in their report and the reasons therefor and the material contracts listed in paragraph 5 above were

attached to a copy of this document together with a copy of the placing letter and the form of acceptance issued by Robert Fleming in connection with the placing and have been delivered to the Registrar of Companies for registration. Robert Fleming, registered in England No. 262511, has its registered office at 8 Crosby Square, London.

E. No part of the proceeds from the sale of the shares of Fledgeling will be receivable by Fledgeling and, accordingly, no sum is being raised for the purposes specified in paragraph 4 of the Fourth Schedule to the Companies. F. For the purposes of paragraph 5 of the Fourth Schedule to the Companies Act 1946 the subscription lists will open at 10.00 a.m. on 11th January, 1982.

G. The Directors of Fledgeing have been advised that, since Fledgeling has never been a close company no material liability for surtax or for income tax as a result of the apportunent of Fledgeling's income to its shareholders is likely to fall on Fledgeling, and have also been advised that no material liability for estate duty or capital transfer tex is likely to fall on Fledgeling.

H. The following documents or copies thereof may be inspected at the offices of Robert Fleming. 8 Crosby Square, London EC3A 6AN during usual business hours on any weekday (Saturdays excepted) for a period of fourteen days from the date of publication of this document:—

(a) the Memorandum and Articles of Association of Fledgeling; the audited accounts of Fledgeling for the two financial years ended 21st January, 1351 and for the socimonitis

the material contracts referred to in paragraph 5 above; and the report of Ernst & Whinney, their statement of adjustments and their written consent. 5th Jenuary, 1982.

Fledgeling Investments Public Limited Company DIRECTORS

Mic Donald (aged 67), a Director of Robert Fleming Holdings, has been largely responsible for the Investment portfolio of Fledgeling since it commenced business in 1962, and will continue to be so in his capacity as a director within the Robert Fleming Group Which he joined in 1960. Mr. Altitenhead (aged 66) is a Director of The First Scottish American Trust Co. PLC and of The Northern American Trust Co. PLC, both of which are significant shareholders of Fledgeling. Mr. Jamieson (aged 56) is a Director of Robert Fleming Holdings and of Robert Fleming Investment Trust Limited. Mr. Rumsey (aged 60) is a director of Anglo-American Securities Corporation PLC, which is the largest shareholder of Fledgeling. Mr. Usher (aged 43) is Secretary of the British Investment Trust Limited, which is a significant shareholder of Fledgeling.

INVESTMENT MANAGEMENT

Robert Flaming Investment Management and Robert Flaming Services have entered into an Hodert Fleming Services have entered into an agreement with Fledgeling dated 28th May, 1981 (effective 1st April, 1981) under which Robert Fleming investment Management acts as investment manager and Robert Fleming Services acts as company secretary and provides accounting, secretarial and administrative services. Fledgeling pays to Robert Fleming investment Management, quarterly in arrears, commencing June 1981, a fee for the services pro-vided by Robert Fleming Investment Management and Robert Fleming Services. For the year ending 31st March, 1982 the fee is to be at the rate of 220,000 per annum and will be reviewed thereafter on 1st April of each year. Out of the fee received by it, Robert Fleming Investment Management pays a fee to Robert Fleming Services: Any professional fees incurred by Robert Fleming Investment Management and Robert Fleming Services in the performance of their duties are paid by Fledgeling. The agreement can be terminated on two years, notice.

Both Robert Fleming Investment Management and Robert Fleming Services are wholly owned authoridiaries of Robert Fleming Holdings, Robert Fleming Investment Management is the Investment management company of the Robert Fleming Group and administers, on a discretionary basis, and advises fonds with an aggregate value in excess of £3 billion. Robert Fleming Services provides accretarial and administrative services to a large number of investment trusts.

DIVIDEND POLICY

Fledgeling has adopted a policy of investing with a view to capital appreciation rather than income and it is the intention of the Directors to continue this policy. For the year ending 21st January, 1982 the Directors Intend, in the absence of unforeseen circumstances, to recommend a dividend of 2.175p per Ordinary. Share (the same as for the previous year) to be paid in April, 1982. It is the intention of the Directors in tuture to declare an intertion dividend, which it is expected will be paid in October of each year.

TAXATION

The Directors intend to ensure that Fledgeling satisfies the conditions for approval as an investment fund laid down in section 359 of the Taxes Act 1970 (as amended) and intend to apply to the Inland Revenue for such approval. If such approval is granted Fledgeling will, as a result of the provisions of the Finance Act 1980, be exampt from corporation tax on its capital gains in all accounting periods for which approval

The income of Fledgeling (Including Income arising outside the United Kingdom) will be subject to corporation tack in the normal way; income arising outside the United Kingdom may in addition be subject to withholding laxes at varying rates but double taxation relief will generally be available. The Directors consider that Fledgeling is unlikely to be a close company immediately following the completion of the issue now being made.

Shareholders in Fledgeling may be liable to United Kingdom capital gains tax on chargeable gains arising from the disposal of their shares in Fledgeling and will not be entitled to any tax credit in respect of gains realised by Fledgeling.

ACCOUNTANTS' REPORT The following is a copy of a report which has been received from Ernst & Whinney, the surdians and reporting The Directors, Fledgeling Investments Public Umited Company and The Directors, Robert Fleming & Co. Limited 5th January 1982

A. Introduction with the proposed public blacing of 2.344.600 Ordinary Shares of 25p of Fledgeling Investments his connection with the proposed public blacing of 2.344.600 Ordinary Shares of 25p of Fledgeling in the prospectus to be dated 5th January 1982, we have reviewed the audited accounts of Fledgeling for each of the years ended 21st January from 1977 to 1981 inclusive and for the six months ended 21st July 1981. These accounts have been prepared trider the fusionical cost convention. We have been auditors of Fledgeling throughout this pariod.

The revenue and capital accounts, the ballance sheet and the source and application of funds set out below have been derived from the sucting accounts, adjusted as we consider appropriate. In our pointon, the information shown below gives a true and late view of the state of affairs of Fiedgeling at 21st July, 1961 and of its net revenue and source and application of funds for the five and a half years then ended.

B. Accounting Policies
The eccounting policies which have been consistently applied in arriving at the financial information set out in this report are as follows:

(i) The accounts are prepared under the historical cost convention.
(ii) Investments are stated at cost less provision for any investment where diminution in value is considered and The cost of foreign currency investments is stated in sterling at the exchange rate ruling at the date of purchase

(iii) Profits and losses arising on disposals of investments, related taxation charges, logaliter with standing ge adjustments are dealt with as capital transactions. the deposition are described and expenses of management are dealt with on an accruals basis, interest, dividends and the interest payable and expenses of management are dealt with on an accruals basis, interest, dividends and basions receivable are included in revenue account only to the extent to which they have been received in the period.

(v) No provision is made in respect of taxation or expenses which might have resulted from a sale of ments at the end of the relevant accounting partod. (vi) Universited income is included in revenue account gross before deduction of income tax, in the case of franked income, related tex credits have been added to and are included in the figures presented. (vil) Foreign currency balances with benkers and the valuations of foreign investments have been translated at exchange rates preveiling at the end of the relevant accounting period.

C. His venue Accounts
The revenue accounts of Fledgeing for the periods under review were as follows:—

				<u>· </u>		
Y 100 100 100 100 100 100 100 100 100 10	1977 £000	. 1578. 2000	1979 2000	1980 ED00	1981 5000	2981 2000
Grossieventie						<u>`</u>
Frances income	212	252	289	350	400	175
Universitad increme	24	, 14 .	12	. 21	45	25
Deposit interest	7	9	<u>. 1</u>	. 17	13 .	5
Underwilling commission	14	19	17	12	12	3
	257	294	319	400	470	208
			T	·	i	
Extenses Management expenses	l el		11		19	13
Interest on depending stock	J 31 J	31	31	31	31	15
Audiors' tees	1 1	1 1	11.	[2[[2]	2
Interest on overtealt	1 1] -	1 31	1 1	1 11	1 t
Minister of Loverteer	1 -1	1 -1	1 4	4	-4	1 2
Directors less	ليسيا			ليب	57	33
	42	41	50	49		
	215	253	269	351	413	175
	74	88	- 96	101	126	5 4
Taxation (Note)		407			287	121
Net reverue after texation	141	167	173	250	201	121
Dividend on ordinary shares	104	116	129	_ 233	273	
	· 37	91	. 44	- 17	14	121
Surplus revenue for period	82	119	170	214	231	245
Balance brought toward					245	366
Balance carried forward	119	170	214	231	293	700;
Earnings pershare (as shown in the					4	
audited accounts)	2:25p	265p	2.75p	3.97p	4.56p	
Wanted and the second	•	1 1				
Earnings per share adjusted for the capitalisation issue effected on 5th	-					
Cabinitation issue effected of the			• • • • • • • • • • • • • • • • • • • •	-		
Jenuary, 1982 (see Note 2 to the	1,120	. 1.335	1.390	1.990	2,28p	
Balance Sheet)	4- 14-P			P		
NOTE	٠.		• •			
TAYATITAL			~	•		
The charge for taxation comprised:			Year emile:	, -	· <u>-</u>	8 months and a
	• •		i 21st Jennet	· .		2751 July
		4075	1979	1980	1981	7997
_ E Samengan	1977	1978 \$000	1849 2000	7980 2000	£000	2000
	£000 74	- 86	96	107	120	53
Tax relating to franked income	. /4	~	. ~	. " (7)	1.6	
Corporation 12X	-	-	⊊	. 47	ž	2
Foreign tax				. — ;		
7	. 74	88	96	- 101	128	
Relief for foreign last		_	<u> </u>		(2)	(1}
MANUAL MANUAL MAY		- 86	96	101	126	54
			<u> </u>		<u> </u>	-
	مسينية ماعم مادي	7310 of 52 RE	rcent.			
Provision for corporation lax has been	Mage at the	1010 Or or he				
AND THE PERSON OF THE PERSON O						

investments
Gains (losses) from currency (1) Provision for any investment where diminution in value is considered permanent Provision for tax on realised capital gains 548 Closing balance E. Balance Sheet The balance sheet of Fledgeling at 21st July, 1981 was as follows:-At 2155 July, 1981 £000 2000 esiments (al cosi) Listed in Great Britain Listed outside Great Britain 4,432 96 Future settlements Creditors Net current liabilities Financed by:— Share capital Share premium Revenue account Capital reserve 1,571 1,245 366 688 Shareholders' funds 1 INVESTMENTS The valuation of investments et 21st July, 1981 was as follows:-Listed on stock exchanges in Great Britain Listed on stock exchanges outside Great Britain Listed investments have been valued at middle market prices or closing prices. Unlisted investments have been valued by the Directors. The share capital of Fiedgeling at 21st July, 1981 was as follows Issued and fully paid Manher 2000 8,000,000 Ordinary Shares of 25p 2,000 6.264.740 1,571 On 5th January, 1982 Fledgeling increased its authorised share capital and made a capitallic share for every one share held, its share capital is now as follows:-ssue of one Issued and fully paid Number £000 13,200,000 3,300 12,569,480 3.142 Ordinary Shares of 25p The contestisation issue was made from the whole of the share premium account and from part of the capital 3 SHARE PREMIUM The share premium account did not change during the periods under review. On 5th January, 1982 the whole of re premium was capitalised as described in Note 2 above. 4 LOAN CAPITAL The £500,000 8½ per cent, debeniure stock 1988/93 is secured by a floating charge on Fledgeling's assets.

The whole or part of this debeniure stock may be redeemed at par on or at any time after 21st, January, 1988 upon times months notice. Stock not previously redeemed shall be repaid at par on 21st January, 1993. At 21st July, 1981 Fledgeling's commitments on underwriting amounted to £42,500.

F. Source and Application of Funds

The source and application of funds	of Fladaelloc	ofocitie neck	nds under ret	ñew were as	follows:-	
E 1 to Court on the Spiritual 1 or 100 to 100	Year ended 6 months ende 21st January 21st July					nthsended 21st July
	1977 £000	1978 £000	1979 5700	1980 £000	1981 £000	1981 £000
Source of funds					440	477
Profit before tex	215	253	<u> 2</u> 69	351	413	175
Sale of investments	740	- 994	751	1,163	933	514
Custency profit (loss)	(1)	(6)	_ 1	(1)		
	954	1,241	1,021	1,513	1,347	689
Application of funds						
Dividend	94	104	116	129 '	233	273
Taxation	67	74	96	101	126	53
Purchase of investments	639	1,274	878	1,176	958	364
•	800	1,452	1,090	1,406	1,317	- 690
	154	(211)	(69)	107	30	
Increase (decrease) in liquidity						
Debtors	73	(19)	(8)	15	64	(79)
Creditors	(58)	(91) 57	<u></u>	(53)	(26)	(79) 40
Cash	139	(177)	(61)	145	(8)	38

G. Accounts Audited accounts of Fledgeling have not been prepared in respect of any period subsequent to 21st July, 1981.
Yours faithfully,
ERNST & WHINNEY,

STATUTORY AND GENERAL INFORMATION

1. The Company and its Share Capital Fledgeling was incorporated as a private company on 30th July, 1955 under the Companies Act 1948 and the registered number is 552775. On 10th December, 1981 Fledgeling was re-registered as a public limited company under the Companies Act 1980, With effect from the same date Fledgeling became an investment company within the meaning

Immediately prior to 5th January, 1982 the authorised share capital of Fledgeling was £2,000,000 divided into 8,000,000 Ordinary Shares of 25p each of which 6,284,740 had been lesued and were fully paid up. By or pursuant to resolutions passed at an Extraordinary General Meeting of Fledgeling held on 5th January, 1982—

the authorised share capital was increased to £3,300,000 by the creation of 5,300,000 new Ordinary Shares of 25p each; and the sum of £1,571,185 (as to £1,244,466 being the amount standing to the credit of Share Premium account and as to the batence being part of the Capital Reserve of Fledgeling) was capitalised and 6.284,740 Ordinary Shares of 25p each were allotted, credited as fully paid, to the existing Ordinary Shareholders in proportion to.

Save as disclosed herein, within the two years immediately preceding the date of this document, (i) no share or loan capital of Fledgeling has been issued or is proposed to be essed, fully or partly paid, for cash or otherwise and (ii) no commissions, discounts, brokerages or other special terms have been granted by Fledgeling in connection with the issue or sale of any share or loan capital of Fledgeling. No share or loan capital of Fledgeling is under option or egreed conditionally or unconditionally to be put under

Subject as below, the Directors have been unconditionally authorised to allot up to £157,630 in normal amount of the relevant securities (as defined in section 14 of the Companies Act 1980) without the authority of the company in general meeting. The authority will expire on 5th January 1967 (when it is renewable) but may be revoked or varied by the company in general meeting before that date. The provisions of section 17 (1) of the Companies Act 1980 will not apply to any allotinent made under the above authority.

No issue of shares of Pradgeting for cash (other than consequent upon an offer to shareholders pro rata to their satisting shareholdings) and no material issue of shares of Fledgeting for a consideration other than cash will be made within one year of the date of this document without the prior approval of the company in general meeting. Following the capital reconstruction referred to above, 630,520 shares of 25p each of Fledgeling remain unissued but no issue of such shares which would effectively after the control of Fledgeling will be made without the prior approval of the company in general meeting.

2. Articles of Association The Articles of Association of Fieldgeling contain provisions (inter alia) to the following effect:- p

The Directors shall establish a Capital Reserve fund and shall carry to such reserve any capital appreciation realised on the sale or realisation of any capital assets of Fledgeling for a consideration in excass of book value and any other sums representing accretions to capital assets. The Capital Reserve fund shall not be treated as representing profits available for distribution.

MINING NEWS

Anglo restores Minorco stake

BY KENNETH MARSTON, MINING EDITOR

Resources Corporation (Minorco) American and De Beers. their holdings following a tem-formed to take some \$115m porary small reduction which (£60m) of mining assets in porary small reduction which (£60m) of mining assets in followed a recent placing of Chile, Brazil, Peru and Argen-

has 42 per cent of Minorco, De Industries SA. Beers has 23 per cent and Charter just on 10 per cent

recently announced deal whereby to a joint holding company in Details of the issue are reported exchange for a 25 per cent stake on Page 19.

THE MAJOR shareholders in in the latter. The remaining 75 the Bermuda-based Minerals and per cent 15 held by Angio This holding company was

Consequently, Anglo American American. De Beers and Minorco from Consolidated Mining and

M morco announced the issue of U.S.\$60m convertible subordinated bonds. tive holdings stems from the the proceeds of which are to be used principally for the repay-ment of short-term indebtedness.

The latter is involved in a

number of UK onshore oil and

gas exploration projects through

its membership of a consortium comprising Taylor Woodrow. Rio

Among the consortium's cur-

rent exploration projects is the Hatfield Moors No. 1 well in

Yorkshire in which Haoma North

West Oil has a 13 per cent in-terest. This well recently suf-

fered a gas blowout at 1,600 feet

and subsequently caught fire.

Haoma-North West deal agreed merger of Raoma North West Oil and Gas

Australia's Haoma Gold Mines UK.
and North West Mining has been Th extended to January 29 to allow for delays caused by postal strikes in Australia and the Christmas holidays.

The merger terms are seven Haoma Gold shares for every ten. North West Mining Acceptances to date total just over 70 per

Included in the merged assets of the two companies are a 49.08 per cent interest in Strata Oil and an 8.28 per cent holding in

Griffin Coal Mining. Meanwhile, Haoma and North West report that they are cur-rently negotiating to sell their

interests in the jointly-owned fire under control.

ROUND UP

of blister copper is to be built at Kota Belud in the east Malaysian State of Sabah. Datuk Harris Salleh, the state's chief minister said that a tender for the US\$152m (£S0m) project had

been already called.
The smelter, which will be the rne smeiter, which will be the first in the country, will take copper ore mined at the Mamut fields, 112 km from the state capital of Kota Kinabalu. The Mamut mine is producing between 25 000 and 20 000 the first state of Mamut mine is producing between 25,000 and 30,000 tonnes of blister a year, all of which is now being refined in Japan.

Australia's Hartogen Energy has extended the deadline for lowest since 1959. .

14.00 hrs.

Amsterdam of

A COPPER smelter with an acceptance of its partial bid for annual capacity of 50,000 tonnes the shares of Cluff Oil (Australia) by a fortnight to January 21. Hartogen is offering to acquire up to 20m contributing shares of Cluff at a price of 75 cents (44p) cash per share. Full acceptance would raise Hartogen's holding

in Cluff to 51.2 per cent.

South Africa's gold production in November fell to 1,770,758 ounces from 1,815,735 oz in the previous month. This brings the total for the first 11 months of 1981 to 19,477,313 oz compared with 19,974,596 oz in the same period of 1980. It thus appears that the total for 1981 will work out at just over 660 tonnes, the

EUROPEAN PROPERTY

established in Amsterdam.

AN INFORMATIVE AND

EXTRAORDINARY GENERAL MEETING

OF SHAREHOLDERS

will be held at the office of the company, Singel 370,

Amsterdam, on Thursday 21st January 1982 at

The agenda only mentions the discussing of the

public offer by B.V. Internationale Belegging- en

Administratiemaatschappij "Zandbergen" on shares European Property Investment Company

N.V. Until February 1, 1982 (15.00 hrs) shares may

be tendered for purchase in accordance with this

offer. Copies of the Offer Document will be

available free of charge at the head-offices in

Amsterdam-Rotterdam Bank N.V.

Bank Mees & Hope NV

Shareholders who wish to attend this meeting have

to lodge their shares with one of the following

Bank Mees & Hope NV in Amsterdam;

admission to the meeting.

Banque Bruxelles Lambert S.A. in Brussels;

Morgan Grenfell & Co. Limited in London

Banque de Neuflize, Schlumberger, Mallet in

not later than Monday, 18th January 1982 against

delivery of a receipt which will serve as a ticket of

THE BOARD OF MANAGING DIRECTORS

INVESTMENT COMPANY N.V.

BIDS AND DEALS

Institutions invest £2.4m in Isis buy-out scheme

BY DUNCAN CAMPBELL-SMITH

scheme, investing £2.4m in convertible preference shares for which M. J. H. Nightingale, the City investment services group, will maintain a secondary market starting today.

The scheme has assembled a total of £5.5m to finance the purchase of the Isis group of construction and plant hire businesses from United Dominions Trust. Five directors of Isis contributed £200,000 and Lloyds Bank provided a £3.3m term With the institutions' 52.4m, this has covered the cost of the acquisition and its

Lloyds has also provided the group with overdraft facilities of £2.5m. As a part of the reorganisation, which was completed on December 31. Isis has also acquired for £1.7m a large fleet of fork lift trucks from Greenham (Plant Hire).

Paget builds up its stake in Sangers

Paget Agencies, the Bermudabased vehicle of financier Mr Tom Whyte, former head of crashed Triumph Investment Trust, and others acting in concert with Paget have acquired A team of American oil and gas well fire-fighting specialists has been brought in to bring the a near-6 per cent stake in Sangers Group from Mr C.

Morris.
Following the acquisition.
Paget and its associates are the beneficial owners of 1.36m shares (14.32 per cent) in Sangers, the loss-making pharmacentical and photograpeic concern, and those acting in are owners of 905,000 shares (9.54

per cent).
None of the parties acting in concert with Paget individually hold 5 per cent or more of the ordinary capital. Mr Morris only acquired his stake of 563,186 shares on

Whyte has repeatedly stated that the Sangers shares are purely an investment." the half year to August Sangers reported a pre-tax loss of £1.03m compared with a profit of £463,000 in the first half g year earlier.

THE NEW THROGMORTON TRUST LTD. Capital Loan Stock Valuation January 5 1982 The net Asset Value of £1 o Capital Loan Stock is 277.67p

calculated on Formula 1. Therefore the tender price is 249,90p Securities valued at middle market THE TRING HALL usm index

117.7 (-0.5)

close of business 6/1/82

BASE DATE 10/11/80 100 Tel: 01-638 1591 CORAL INDEX

OIL INDEX

Close 514-519 (-6)

March Refined \$40.80

The equity has been struc-schedule or else the voting TWELVE MAJOR Institutional investors have participated in an investors have participated in an investors have participated in an investors and an anagement buy-out content of the state of Second, the conversion terms businesses, which has been reorganised under a holding company, Isis Industrial Services.

The dozen institutions include Citicorp Development Capital. the pension funds of the National Coal Board and the Post Office. Norwich Union. Equitable Life and Scottish Their preference shares will be paid a dividend of 11 per cent, rising to 15 per cent in the years after 1983, and will be convertible into ordinary shares from mid-1984. The Isis group's results have

been depressed since 1980, with pre-tax profits falling to £1.1m in the year to last March, against £2.1m, and £0.6m is forecast for the year to March 1982. But the new structure of the

group offers management at keen to explore wars of arrang-least three incentives to do well. Dividends must be paid on one good pattern for the future."

on the preferred stock will be dictated by the aggregate profits achieved before March 1934. The directors could retain as much as 50.1 per cent of the ordinary equity but could also. in the event of disappointing profits, see the institutions convert their stock into as much as 90 per cent of the ordinary. Third, it is intended that the ordinary shares in Isis should also be traded in a market maintained by M. J. H. Nightin-

gale after 1984. Nightingale has been making a market in a selection of stocks for about 10 years. Isis will be the twentieth company it quotes. Mr Robin Hodgson, Nightingale's managing director, said it was

Babcock's \$17.5m U.S. sale

Babcock International, the UK will receive a severance pay engineering group, is selling the ment of \$100,000 together with assets and business of the Industrial Products Group of its Acco pension entitlement. He will subsidiary to Page-Wilson own between 65 and 75 per cent subsidiary to Page-Wilson own perween of and to per control of the equity of Page-Wilson Corporation of the U.S. in a deal of the equity of Page-Wilson with the balance divided between

is a new company owned and trial Products Group.
operated by Mr J. H. Maloney and other U.S. investors. Mr for the disposal of industrial pro-Maloney was, until September ducts group. Bahcock said that 1981, the president and chief each of the four divisions of that 1981, the president and chief executive officer of Acco, and a director of Babcock International Inc., the U.S. subsidiary of Babcock International through which Acco is owned.

The consideration is based on the position as at September 27 1981, subject to adjustment by the difference between the net asset value of the Industrial Products Group at that date and at the date of completion, Febru-

Of the total consideration. 85.7 per cent will be payable in cash on completion. The balance will be satisfied by the issue to Acco of a Page-Wilson loan mote. payable in five equal instalments from February 1, 1986. The loan note will bear interest at the fixed rate of 13 per cent per annum from February 1, 1983. The cash proceeds from the sale will be applied towards the reduction of Babcock Inter-

national's dollar borrowings in Mr_Maloney resigned from

For the nine months to September 27, 1981 Industrial Products Group reported turnover of \$36m and profits before interest and taxation of \$1.45m. In its financial year for 1980 it the Babcock group in order to showed profits of \$2.05m com-negotiate the transaction. He pared with \$4.57m.

is relatively small and

their respective products and activities are unrelated to the

principal business of Fabcock

International Inc. which are in

the material handling equipment,

chain and cable products, auto-

motive and furniture hardware

and process control instruments

and systems.
"None of the divisions of In-

dustrial Products Group is con-

growth notential necessary to

America Certain of the divi-sions of Industrial Products

Group have been the subject of

earlier negotiations for disposal.

but no transaction was con-

day, to explain why KCA had disposed of Baron less than a year after acquiring it.

Bengal has exploration and

KCA explains disposal

out—otherwise we would never have been able to negotiate \$4.1m off the purchase price." Mr John Wilson, managing director of KCA International, said yesterday, to explain why KCA had

exchanged for 46 per cent of a Colorado exploration company known as Bengal Oil and Gas. Bengal's shares are dealt over the counter in the U.S. and can be traded in London, by negotiation, under Rule 163 (1) (e). On Derember 31 they were traded at 50 cents in New York, valuing KCA's investment in Baron amounted to \$11.4m.

production interests in Texas.

NatWest Registrars Department

National Westminster Bank Limited has

correspondence should in future be sent to:

been appointed Registrar of

EQUIPU PLC

All documents for registration and

National Westminster Bank Limited

Telephone Bristol (STD Code 0272)

Other matters 297144

Register enquiries 290711

M. J. H. Nightingale & Co. Limited

PO Box No 82

27/28 Lovat Lane London EC3R EEB

Company

37 Broad Street

Bristol BS99 7NH

Registrar's Department

"Earnings and reserve project Colorado, Wyoming, Ohio, Oklations for Baron were not borne homa and Pennsylvania, which

Baron—which became KCA Oil and Ges Fromiles now been

Mr Wilso said that if Bengal used its shares in such purchases KCA would have to judge whether to subscribe for extra shares in Bengal and avoid dilution. He expected the combined companies would do slightly better than breakeven for 1982. as some rationalisation took place. Cash flow might be expected to turn positive in the second half of 1983.

CAVLAND ACQUIRES DEPOSIT TAKER

Cayland has announced that it is buying Bootle based licensed deposit takers Merseyside Finance and Merseyside Facili-ties. Cavland of Lymm in Cheshire—in which the English Association Development Fund has an investment—is carrying out the deal through its Man-chester based deposit taker Century Industrial Services.

WESTERN SELECTION AND DEVELOPMENT Agreement has been reached subject to contract, whereby Western Selection and Develop-ment will sell its wholly-owned

subsidiary British Patent Glazing Company to Aluminium and Timber Securities. Sale price will be based on the net asset value of BPG as at September 30

BOOSEY & HAWKES Boosey and Hawkes has agreed disposal of its leasehold interest in 33 Margaret Street.

The acquisition of a headlease for 295 Regent Street, details of which were announced on June 23, has been completed. The company has received \$4.15m which will be used to reduce borrowing.

HALLITE HOLDINGS Laurie Milbank and Co. has purchased 188,200 ordinary shares in Hallite Holdings (7.8 per cent) at 200p per share on behalf of General Tire and Rubber Company, South Africa. General Tire now holds 686.237 ordinary (28.5 per cent).

PRESTWICH PARKER Butter Lane Nominees (Man-chester) has acquired 165,000

ordinary shares in Prestwich Parker (Holdings) bringing its total share holding to 280,000 (8.26 per cent). Butter Lane Nominees is con-

trolled by Mr Jeffrey Rubins, chairman of Prestwich Parker and thus his beneficial interest rises to 785,000 (23.17 per cent).

WEDGE CHEMICALS Wedge Chemicals, a new independent trading company specialising in the distribution of polymers, resins and speciality chemicals, has been formed as a result of a managament "buy back" from Cole Chemicals, a

subsidiary of R. H. Cole.

T. W. Ward answer to

RTZ bid Thos. W. Ward, the industrial holding company, has forecast a strong performance for its current year in issuing a detailed rejection of the fillin take-wer bid from Rio Tinto-Zine Corpora Truck higher bid prices which RIZ may have in mand.

RTZ's present bid, offering 190p cash per Ward share, is due to close on January 8.
Before Christmas, RTZ announced that it had so far received acceptances on behalf of 2.6 per cent of Ward's shares. Ward is forecasting a 27 per

cent gam in pre-tax profits to to next September. Mr Peter Frost, Ward's chairman, also forecasts in a letter to shareholders that dividends for the current year will rise 41 per cent to 11p net per share against 7.8p recommended last year.

The forecast is based upon increased pre-tax profits of 55.6m against 52.2m by the non-construction subsidiaries—reflecting in particular new iron and steel markets overseas—and a 27 per cent pre-tax profits increase, to 19.9m. or the Ketton and roadstone businesses.

Discussing the contribution to be made by associated com-panies, Ward says it has assumed unchanged profits by Tunnel Holdings, the cement company 42 per cent-owned by Tunnel, says Mr Frost. Ward. "were unwilling to co-operate with the balance divided between in the preparation of a 1982 certain members of the Indusforecast.

Assessing the value of Ward's construction business alone at £60m and its associated company holdings at £95m, the chairman says: "Even a significant increase in RTZ's bid would remain inadequate." He con-cludes that tax considerations provide RTZ's real motive in pursuing Ward and Tunnel. Sir Alistair Frame, RTZ's chief

executive, said yesterday he thought Ward's rejection "smacks a little of panic." He said he was surprise dthat Ward could produce a forecast for the whole sidered to possess the inherent year "at the beginning of the fourth month when their results achieve Bahenek International's for December can hardly be in objectives for the future development of its interests in North

See Lex

GEORGE OLIVER SELLS LEASES

The George Oliver footwear chain has decided to sell to the National Water Council and leaseback 14 properties in a deal worth £7.8m.

Proceeds from the sale will be used to repay the initial draw-down of f7m of a threeyear unsecured loan organised for the purchase of Hiltons Foctwear. The leases, each for a 25-year period, have five-yearly rental reviews and will cost Olivers £306,000 per annum

Olivers' board opted for this agreement in preference to fac-ing the high interest costs for the repayment of the £7m draw-

ABI exceeds its forecast

THE FIRST accounts for ABI Holdings show pre-tax profits of £810,325, in excess of the 5.50,000 forecast last July. The comparable taxable figure is this specialty chemical manufacturer has slipped from £17,39m to £16,22m for the year to June 30 1981.

The improvement in business noted in the April/June quarter, influenced partly by the lower sterling/dollar exchange rate. continued into the current year, says Mr Peter Lawrence, the chairman. Both the main chairman. Both the main operating subsidiaries have so operating subsidiaries have so far performed as planned, he Say5

· Demand overseas was stronger than at home, says Mr Lawrence, and the American and continental companies have been gaining business. The group gaining business. now sells about 40 per cent of its turnover overseas.

Bituminous products continued to develop and tonnage sold showed a significant in-crease over last year. The chairman says that a new

range of exhaust repair products from Hermetite has been well received. It remains company policy to expand overseas through the acquisition of locally well-established sales companies,

says Mr Lawrence.
In the U.S. he says the com-

pany was able to turn Dura Commodities round from losses to profits and Hermetite Products is introducing a complete line of adhesives to the U.S. given as £1.24m. Turnover of market. Mr Lawrence is confident that this investment will yield profitable business for the

In view of the acquisition of UK company. 60 per cent of the equity of the group operating companies, shortly before the 1981 year end, the directors do not propose to pay an ordinary dividend for 1980-SL

A minority debit of about 40 per cent of the pre-acquisition profits has been deducted from both 1981 and 1980 figures. Next year this figure will be replaced by the interest on long-term bank loans and loan stock. Trading profit this time was shown slightly lower at £1.01m, compared with £1.61m. Interest

charges fell from £370,731 to £203,977. There was a charge for tax of £271,095. against a credit previously of £7,470. The adjustment for capital reorganisation was lower at £217,630, compared with

£508,613, Basic earnings per share emerged much lower at 13.54p (31.61p) and diluted earnings came out at 9.54p (21.79p).

The shares are traded on the market made by M. J. H. Nightingals and Co.

57 companies wound-up

Compulsory winding up orders against 57 companies were made by Mr Justice Vinelott in the High Court. They were:
Goorji and Co. (London).
Game Construction Company.
Sanfield Ezkred Properties, Senfield Property, Powergable, Hilosur, North East Plastics, Symington (Shop Fitters), George Ridyard and Son, Poole Factors, Sandhouse Inn.

Cooper's Structural, Redcroft Business Consultants, Sandian, Karnroy, Paisnaw.
Wiglime Building, Varaville
Engineering, Kalbridge, Blankpalm, Driftmead, Russell Lunts Karoroy, Palshaw.

Russell Lunts Motor Home
Centre, Newport Caravan
Harbour, Basinghall Trust,
Motebond, EAWA Marine Trade, Leisure Centre. Whitesquare (UK), Langdale Woodworks.

Gardens One, Frosthire, Anglographic, Finch coral, Dykestar, Amberbury.

APE STOCK SWITCH

Holders of Amalgamated Power Engineering (APE) 6 per cent Unsecured loan stock have been called to an extraordinary meeting on January 26 to consider a switch into Northern Engineering Industries (NEI) stock following NEI's takeover of APE last autumu.

per cent unsecured loan stock 2000-05, for every £1 of 6 per cent APE stock.

Eagle Star Insurance, as trustees to the APE 6 per cent stock, have not raised any objections to the proposals being

Banner Publications, E. P. Allam and Co., Nottingham Greyhound Stadium, Wholesale Supplies (Kent), S.B. Assurance and Insurance Consultants. Cray Valley Joinery Company.

Caygill Pryor and Co., D. J.
Matthews (Joinery Design).
Goodisong, Compline, Ebony
Wines and Spirits. L.A. Video (Productions). G.S. Commercials and Cars

(Doncaster), Surgevale, Travella Engineering, Compass, Kamasa Tools, Soke Electrical, Netstal,
Figuration Bariag Freight Fivemanor, Bariag Services. A compulsory winding up order made on December 5 against Gradeville was rescinded

and the petition dismissed by consent. A compulsory winding-up order made on December 14 against Charlestown Diving and Marine was rescinded and the winding-up

petition dismissed by consent. GAELIC OIL

Dealings in the shares of Gaelle Oil, the Dublin-based

exploration company that raised £15m in a rights issue last July, are to take place under Stock Exchange Rule 163 (3) without the need to seek the prior permission of the Council.

PE last autumn.

Proposed terms are £1 of NEI been trade under Rule 163 (2).

MATTHEW BROWN

Matthew Brown's rights issue has been taken up as to 84 per cent. The balance has been placed.

Record ordinary shares trading

BY NIGEL SPALL

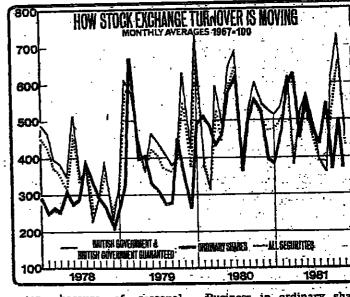
STOCK EXCHANGE trading in 1931 was marked by record business in ordinary shares which increased by 5.1 per cent to £32.4bn. However, the number of bargains transacted in ordinary shares during the year was 3.9m, slightly down on 1980's 4.2m and well below the neak 6.7m recorded in 1972. The average value per equity hargain during the year was £8.329, while the FT Turnover index for ordinary shares in 1981 registered a monthly average of 481.6 against the previous vear's 458.0.

The Financial Times Industrial Ordinary share index closed the year at 530.4 for a rise of 55.9 points over 1981. during which it ranged between 446.0 and its all-time high of 597.3 reached at the end of April. Turnover in gilt-edged securi

ties in 1981 was down 3.7 per cent on 1980 and the amount of new Government stock issued fell dramatically to approximately £11bn compared with the 1980 record of £17.05bn. The number of bargains transacted in British Funds was 47.018 lower at 949.487. The 1981 monthly average of the Financial Times Turnover index for Government Securities was 515.1 compared with the 1980 average of 535.0.

December, as usual, saw a sharp drop in trade in all with November's 725.5.

Category



sectors because of seasonal influences. The number of also contracted last month, fallbusiness days was the same as the previous month.

Business in gilt-edged dropped from November's £17.1bn-the highest monthly level since January 1980—to £10.8bn. Trade in short-dated stocks contracted by £2.8bn to £6.2bn and the number of bargains in gitls was 23,428 down at 62,675.

The FT Turnover index for Government . Securities December was 458.3 compared

Value of all

Business in ordinary shares ing by £0.7bn to £2.1bn. The year's high of £3.50bn was recorded in April and the low of £2.06bn in October. The number of bargains trans-

acted in equities in December

fell by 68,591 to 233,889 and the

average value per bargain was down by £319 to £8,944. Turnover in all securities during December fell by £7.2bn to £14.1bn with the FT Turnover index down from November's 1981 high of 652.4 to 432.3.

6,208.0 44.0 22,913 7.1 295.6 270,936 1,091 4,620.0 32.7 39,762 12.4 220.0 116,187 1,893 g five years 501.1 3.6 1,967 0.6 23.9 254,764 94 239.2 1.7 1,971 0.6 11.4 121,353 94 y 317.8 2.3 3,609 1.1 15.1 88,071 172 ent:		£m	total	- Dalanus	COLM	. au	· <u> </u>	pe
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501.1 3.6 1,967 0.6 23.9 254,764 74 239.2 1.7 1,971 0.6 11.4 121,353 94 y 317.8 2.3 3,609 1.1 15.1 88,071 172 ent:		4,620.0	32.7	39,762	12.4	220.0	116,187	1,893
y 317.8 2.3 3,609 1.1 15.1 88,071 172	g five years	501,1	3.6	1,967	0.6	23.9	254,764	94
ent:		239.2	1.7	1,97.1	6.0	114	121,353	94
	7	317.8	2.3	3,609	1.1	15.1	88,071	172
		30.9	0.2	617	9.2	1.5	30,156	29

Telephone 01-621 1212

75 7.0 105

Gms: Yield Fully Price Change div.(p) % Actual taxed

- 1 - 1

10.0 85

British Govt. and Br Govt. Guaranteed: Short dated (having Irish Government: Short dated (having or less to run) UK Local Authority Provincial and Muni Fixed interest stock pref. and -4.8 17.377 prefd. ordinary shares 100,4 11,138 8,944. 2.091.9 72.6 233,889 Ordinary thares 14,109.1 *43,803 Total * Average of all securities

BASE LENDING RATES

Amsterdam, 30th December 1981.

Barclays Bank 141% Beneficial Trust Ltd... 151% Bremar Holdings Ltd. 154%
Bristol & West Invest. 16 %
Brit. Bank of Mid. East 144%
Brown Shipley 15 %
Canada Perm't Trust... 15 %

The Cyprus Popular BK. 144%, Duncan Lawrie 144%, Eagil Trust 144%, E.T. Trust 144%, First Nat. Fin. Corp... 17 %, First Nat. Secs. Ltd... 17 %, Röbert Fraser 15 %,

A.B.N. Bank 141% Guinness Mahon 141% Guinness Mahon 141% American Express Bk. 141% Hemry Ansbacher 141% Heritable & Gen. Trust 141% Heritable & Gen. Trust 141% Heritable & Gen. Trust 141% Hill Samuel 5141% C. Hoare & Co. 1114% Hill Samuel 5141% C. Hoare & Co. 1114% Hill Samuel 5141% C. Hoare & Co. 1114% Hongkong & Shanghai 141% Hongkong & Shanghai 141% Knowsley & Co. Ltd. 15 % Hongkong & Shanghai 141% Knowsley & Co. Ltd. 15 % Hongkong & Shanghai 141% Knowsley & Co. Ltd. 15 % Hongkong & Shanghai 141% Knowsley & Co. Ltd. 15 % Hongkong & Shanghai 141% Samuel Montagu 144% Samuel Montagu 141% Samuel Montagu 141% National Westminster 141% Norwich General Trust 141% Norwich General Trust 141% P. S. Refson & Co. 114%

Morgan Grenfell 141%
National Westminster 141%
Norwich General Trust 141%
P. S. Refson & Co. 141%
Roxburghe Guarantee 15 %
E. S. Schwab 141%
Slavenburg's Bank 141%
Standard Chartered 1141%
Trustee Savings Bank 141%
Trustee Savings Bank 141%
United Bank of Kuwait 141%
Whiteaway Laidlaw 15 %
Williams & Glyn's 141%
Wintrust Secs. Ltd. 141%
Yorkshire Bank 141%

Yorkshire Bank 14100 Members of the Accepting Houses

7-day deposits 12.50%. 1-month 12.75%. Short term \$8,000/12 months 15 10%. † 7-day deposits on sums of £10,000 and under 12½%. up to £50,000 13% and over £50,000 13%%.

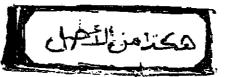
121-4.
5 Demend deposits 121-4.
121-4.
Mortgage base rate.

Frank Horsell Frederick Parker

167

Prices now available on Prestel page 45146.

Companies and Markets



World Bank on line with \$4bn first half borrowing

BY PETER MONTAGRON, BUROMARKETS CORRESPONDEN

THE WORLD BANK raised a largest in the bank's history - tapped is the floating rate bank total of \$4 16bn on international capital markets in the first half of its current flacal year, putting it comfortably in target for the full year's borrowing pro gramme of \$8.20m

Bank officials in Washington said yesterday that the average cost of the new borrowings, weighted by amount and maintity was 11:33 per cent. compared with an average cost of 9.1 per cent on new borrowings raised in the whole of the 1980-81 fiscal year.

will be able to meet this year's market. borrowing needs, they said. The current year's programme is the

borrowings raised in the past fiscal year, which ended on June 30, amounted to only \$5.07bm.

For next year, the bank plans a further increase in its borrowing. It has already said its requirements in 1982-83 will be more than 59m and in 1983-84 more than \$10bn, and it continues to diversity its source

In the past six months, it has borrowed Norwegian kroner for the first time and floated its The bank is confident that it first issue in the Kuwaiti dinar

funds that has still not been

credit market. Although bank officials said last September that such borrowing was under consideration, it is understood that slow progress has been made with the concomitant requirement that the bank should begin to lend at floating

at fixed rates as at present. Now that world interest rates have come down from their peaks of last year, there is thought to be less desire on the part of the bank's borrower customers for floating rate loans, and the matter has still But one potential source of not been taken up by the bank's board, the officials said.

rates of interest instead of only

Dollar Eurobonds fall sharply

BY OUR EUROMARKETS CORRESPONDENT

showed quite sharp falls yester-day with prices stipping as much as I points in some cases follow-ing the pronounced weakness of although there was some selecthe New York bond market tive support from the Continent overnight.

Short-term interest rates also Eurobonds. edged higher in Europe with Nonetheless, the new six-month Eurodeposits adding Mitubishi Chemical issue with i point to 141, but dealers said warrants held up rather well to that the fairly active trading he quoted yesterday at a disi point to 141, but dealers said in the bond market was mostly confined to swapping rather than dealers attributing its success to

FIXED RATE dollar Europonds York bond market has made

count of only i points with the attractive warrants feature. The sharp decline of the New No new straight dollar bonds

SAMA to buy yen convertibles

THE Saudi Arabian Monetary convertible bonds, although it franc foreign bond markets Authority (SAMA) has re- has bought Japanese straight were also weaker yesterday. In portedly agreed to purchase corporate-bonds. directly yen-denominated convertible bonds to be issued in paper, Yomiuri Shimbun, said Japan by Sony Corporation, the SAMA would buy directly a electronics company, and Honda Y20bn issue by Sony and a Moter Company, writes Richard Y10bn issue by Honda Nomura

SAMA has bought Japanese not comment on the report.

THE 1300

were announced yesterday, but a large floating rate note was launched for Banque Francaise du Commerce Exterieur through Credit Suiss First Boston. The \$250m five-year issue bears a margin of | per cent over the mean of the bid and offered six-month Eurodollar rate and a minimum coupon of 52 per

> Minorco, the natural resources group, is offering a \$60m convertible issue through Hambros. The 15-year bonds bear an indicated semi-annual coupon of 9 to 91 per cent and conversion premium of 10 to 12 per cent ...

Both the D-mark and Swiss Switzerland terms were set on the SwFr 50m 10-year Ansett Transport isue to give a coupon of 71 per cent and issue price 101. Union Bank of Switzerland announced a SWFr 100m bond Hanson in Tokyo. Securities, which is said to be for TransCanada Pipelines with This would be the first time arranging the transaction, would an indicated yield of 63 per

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists: For further details of these or other bonds see the complete list of Eurobond prices which

will be published n	ext o	n Tuesday Jameary 12.
U.S. DOLLAR		Changa og
STRAIGHTS 2 2	(married	Bid Offer day week Yield
Anheuser-Bush 165 88	100	1015 1024 -04 +05 15.98
ARS Fis. Co .174 86	60	1034, 1034, +04, +04, 16,08
Amico 0/S Fin. 15% 86	90	` 100°, 101 `-0°; -0°, 15:12`
Bank Montreal 164 91	150	1004 1014 -04 +07 15.02 1014 1024 -04 0 15.66
Br. Colum. Hyd. 164 88.	100	1014 1024 -04 0 15.68
Br. Colum. Mis. 17 97	54	1037, 1037, -07, +07, 16.36
Cap. Nat. Ball 144 91	100	
Cetetpillar Ein. 1612 86	100	1024, 1034, -04, +04, 15.52
CFMP 16% 96	. 100	1024 1024 -04 -04 16.25 1024 1024 -05 -04 16.20
CISC 164 91	100 _150	1032-1834 04 +- 04 15.63
Citicony O/S 164 86 Cities Service 17 88	150	1037, 1047, -01, +07, 15.89
Con. Illinois 14% 84	100	-901 991 -04 8 34.96
Cons. Bathurst 17-2 88	60	103 108 ² -0 ² 10 14.94 103 108 ² -0 ² +0 ² 16.63
CPC Fin. 164, 86	50	1047, 105 -03, -03, 15.19
Dupont O/S 142 88	400	983 984 -04 -04 14.81
EIB 1612 88	100	1024, 1024, -05, -04, 15.80
EIB 16% 91	100	1023 1033 -05 -05 16.08
GMAC -0/\$ Fin. 162 84	. 300	1014, 1013, -0% +0%,15.76
Gulf States 0/5 174 88	60	1037-104 -05 -04 16.47 1004 1014 0 -04 16.88
Net. Sk. Cenada 16 2 88	40	1000 1003 0 -03 16.88
Nat. West. 144 91	100	973 983 -13 -13 15.14
New Brunswick 17 88		-1042 1043 -07 TOT 12 DE
Newfoundland 174 89	- 8	1047, 1047, -07, +07, 15.78 1067, 1067, -07, +07, 15.71 103, 1037, -07, +07, 16.46
New, & Lab. Hy. 174 89 Ohio Edison Fin. 174 88	. 无.	102', 102', 0 +0', 16.76 90'z, 97', -0', 0 16.16
OKG 154 97	. 50	974 974 -07 0 16.16
Ontario Hyd. 16 91 (N)	200	101 107, -04 +07, 15.72
Quebec Hydro. 17% 91	150	101 1014, -04 +04 15.72 1054 1055, -04, -04, 16.08
Quebec Province 154 89	150	983. 98505. +05.15.61
Sasketchawan 161, 88	100	1014, 1013, -03, +05, 15.87
Sasketchawen 164 88 Shell Canada 154 91	100	1017, 1024, -04, -04, 15.27
Sweden 147, 88	150	94 ¹ , 94 ¹ , -0 ¹ , -0 ¹ , 15.88 102 102 ² , -0 ¹ , +0 ² , 16.04
Swed. Ex. Cred. 1612.93	7 5	1035 1042 -05 4-05 18.03
Tenneco Int. 17 89	100 75	381 ₂ 90 -61 ₂ +1 16.77
Texas Eastern 157, 68	爰	105- 1069- +9- 16:30
Transcaneda 17- 88	100	991, 997, -07, +07, 16.06
Walt Disney 15% 86	100	102 102-2 0-2 +- 0-2 14.97
Winnipeg 17,88	50	1037, 1043, -04, +04, 15,65
WMC Fin. 15- 88	: Šù:	1037, 1044, -07, +07, 15.65 967, 967, -07, +07, 16.40
World Bank 16 86	210	1015 1017 -05 -05 15.38
World Bank 16 88 :	. B0 ·	1011, 1011, -03, -03, 15.54
World Bank 16 2 26	730	1027, 1034, -01, -07, 15,45
World Bank 15% 85	100	1027, 1034, -04, -04, 15.68
Average price chang	es (On day -0% on week 0
DELITSCHE MARK	٠	Change on
STRAIGHTS	kiriind	Bid Offer day week Yield
Asien Dev. Bank 10 91	100	99% 100% -0% 0 9.86
Asian Dev. Bank 104 89	100	1015 1025 +04 +04 10.35

DELTISCHE MARK STRAIGHTS SERVED ASIAN Dev. Bank 10 91 Asian Dev.	Average price chang	C	on day	-03	אי הם	esk C	
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Asian Dev. Bank 103, 89 100 Selgalectric 11 S1 100 Selgalectric 11 S1 100 CCECA 10 S1 120 Coun. of Europe 10 S1 100 Coun. of Europe 10 S1 100 Selgalectric 10 S1 100 Coun. of Europe 10 S1 100 Selgalectric 10 S1 100	TRAIGHTS		Bid .	Offer	day.1	MOOK.	Yield
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CECA 10 91 120 1225 1034 11 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	isian Dev. Bank 10% 89		TOTA	1043	TOTAL	TON	77.3
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Coun. of Europe 10%, 91 100 1073, 1074, -0%, +0%, 92 100 1024, 1074, 1074, -0%, +0%, 92 100 1024, 1074, -0%, +0%, 92 100 1024, 1074, -0%, -0%, 1074, 1074, +0%, -0%, -0%, 93 100 1074, 1074, +0%, -0%, -0%, 93 100 1074, 1074, +0%, -0%, 10%, 1074, 1074, +0%, -0%, 10%, 1074, 1074, +0%, -0%, 10%, 1074, 1074, +0%, -0%, 10%, 1074, 1074, -0%, 10%, 1074, 1074, -0%, 10%, 1074, 1074, -0%, 10%, 1074, 1074, -0%, 10%, 1074, 1	ECA 10 91	120	1027	144	. 7,	200	- 3.5
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EB 10-31: 200 103-103-103-103-103-103-103-1-103-1-103-1-103-103	EC 70's 93		1002	001	_~~	_0	Q R
Finland, Rep. of 10 ¹ / ₂ 38 100 100 ¹ / ₄	B 62 40		25,2	- 237 8	-03	-07	
Inter-American 10.91 100 1017 1025 +07 +07 10. Inter-American 102 91 100 1002 1017 -05 +03 10. Inter-American 102 91 100 1002 1017 -05 10. Inter-American 102 91 100 1055 105 105 105 105 Midlend Int. Fig. 82 97 100 105 105 105 105 105 105 105 Midlend Int. Fig. 82 97 100 105 105 105 105 105 105 Midlend Int. Fig. 82 100 105 105 105 105 105 105 Midlend Int. Fig. 82 100 105 105 105 105 105 Mer. West. 11 91 100 100 100 100 100 Morid Bank 11 91 100 100 100 100 100 Morid Bank 11 91 100 1005 1	B 10 2 81		4002	400	742	_01	40.3
Inter-American 10% 91 190 190% 101% - 0% + 0% 10.1 Legap Air Linas 37 57 200 55% 95% 0 + 0% - 0% 9.1 Midlend Int. Fin. 82 90 180 95% 95% + 0% - 0% - 9.1 Midlend Int. Fin. 82 90 180 95% 95% + 0% - 0% - 0% 10.1 Midlend Int. Fin. 82 90 180 95% 95% + 0% - 0% - 0% 10.1 Midlend Int. Fin. 82 90 180 95% 95% - 0% - 0% - 0% 10.1 Midlend Int. Fin. 82 90 180 95% 95% - 0% - 0% 10.1 Mor. West 11 91 120 100 100% 101% - 0% - 0% 10.1 Swad. Ex. Cred. 10% 91 100 100% 101% - 0% - 0% 10.1 World Bank 11 91 100 100% 100% - 0% - 0% 10.1 Morld Bank 11 91 100 100% 100% - 0% - 0% 10.1 Morld Bank 11 91 100 100% 100% - 0% - 0% 10.1 Morld Bank 11 91 100 100% 100% - 0% - 0% 10.1 Morld Bank 11 91 100 100% 100% - 0% 0 10.1	מס ביעו וס אפף, אווווי		1007	1007	140	-m.	44
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Mr. Bk. Drank. 10% 91 100 994 1093 - U U. 10. Net. West 11 91 125 1094 105 + U. + U. 10. New Zealand 94 89 200 100 1094 - U. + U. 9. OKB 10% 91 150 100 1004 - U. + U. 9. Qualace Hydro 10% 97 150 100 1004 - U. + U. 10. Swad. Ex. Cred. 10% 86 150 1007 1014 + U. + U. 10. Swad. Ex. Cred. 10% 91 100 994 994 - U. + U. 10. World Bank 11 97 100 1097 1085 - U. 0 10. World Bank 11 97 100 1097 1085 - U. 0 10.	apan An Lines 0% 0/		995	967	+0£	-0-	9.5
Net. West: 11 91		100	937	100	_a_	—œ.	10.4
New Zeafand 99, 39 250 100 108, -04, +05, 91, 105, 107, -05, 0 9.5, 004, 107, 107, -05, 0 9.5, 105, 107, -05, 0 9.5, 105, 107, -05, 0 9.5, 105, 107, 107, 107, 107, 107, 107, 107, 107	IL BE DRINE NE ST		TOME.	205	+01	+0 *	10.2
OKB 10's 91			THE	20hL		+05	9.6
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Straight Bonds: The yield is the yield to redemption of the inid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week Change over price a week earlier.
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Anti-trust move over Goodrich plastics bid

By Paul Betts in New York

THE FEDERAL Trade Commission (FTC), the U.S. government agency responsible for anti-trust enforcement, declared yesterday that a proposed \$131m acquisition by B. F. Goodrich, the U.S. tyre concern, of a plastics subsidiary of Diamond Shamrock, a diversified energy company, violated Federal anti-trust laws.

It said it would seek divestiture of all assets that may be acquired under the proposed deal. Both the tyre company and Diamond Shamrock declined to comment yesterday on the FTC move.

The FTC contends that the proposed transactions may reduce competition in a num of chemical markets including the production of polyvinyl chloride and vinyl chloride monomers. The FTC said that Goodrich and Diamond Shamrock were each equally the third largest nanufacturers of chloride monomer, while Goodrich was the leading maker of polyvinyl chloride and Diamond Shamrock the sixth largest manufacturer of the product in the U.S.

The proposed sale of the subsidiary by Diamond Shamrock is part of a programme of divestitures announced by the energy concern last year.

Mobil goes back to Supreme Court

By Our Financial Staff

MOBIL, the second largest U.S. oil group, is fighting hard in its bid to stay in the takeover race for Marathon Oil. It renewed its emergency application yesterday asking the U.S. Supreme Court to block rival bidder U.S. Steel from purchasing shares of Marathon Oil

The request went to Chief Justice Warren Burger. Mobil asked that he act before midnight tenight, because after that time U.S. Steel will be able to begin purchasing shares under its oversubscribed offer for a controlling of Marathon Oil

Chief Justice Burger last week dismissed an earlier emergency application to the High Court from Mobil saying the company had to submit the request to lower courts

Federal Judge John Manos rejected a similar request last Thursday and the Federal Appeals Court in Cincinnati, Ohio, rejected the same request on Monday.

Mobil has asked the supreme court to review a lower court ruling which blocks it from carrying out its proposed \$6.5bn hostile takeover of Marathon on anti-trust

Mobil asks that the supreme court delay U.S. Steel's \$6.4bn friendly merger with Marathen until the court has been able to decide whether to review the injunction against Mobil's offer.

Mobil is still hoping that an arrangement to sell to Amerada Hess, another large oil company, Marathon's downstream assets will the remove obstacles currently in the way of its bid.

Kodak plans to spend \$1.5bn

By Our Financial Staff

EASTMAN KODAK expects to increase capital spending this year by 29 per cent over 1981 levels to \$1.54bn. . It budgeted \$1.05bn for the

photographic division, including \$718m in the U.S. and \$331m overseas and \$491m for the chemicals division. Kodak said it planned major expenditures to increase capacity for existing product lines. It would also pursue alternative sources of chemical feedstocks, methods of increasing productivity and environmental protection im-

provements. The company plans to spend \$456m on projects in the Rochester, New York, area where it has its headquarters.

U.S. QUARTERLIES AMERICAN HOIST & DERRICK

Usabrica	I-VE-LETTI	144.01
Net profits	5.6m	4.71n
Net per share	0.90	0.7
Year Revenue	574.0m	538.Br
Net profits	20.39m	20.5
Net par share	3,29	
CSX CORPORATION		
	1981	1980
Fourth quarter	\$	\$
Revenue	1.4bn	1.35
Net profits	138.4m	94.7n
Not per share	3.34	2.37
Year	4.5.	
Revenue	5.4bn	4.Bbr
Net profits		
Net per chare	8.92	7.13
NEVADA POWER		
	1981	1980

\$376m offer for Cannon Mills

BY DAVID LASCELLES IN NEW YORK

CANNON MILLS, one of the largest textile companies in the U.S., yesterday received an unsolicited takeover bid worth \$376m from a Los Angeles investment company, Pacific Holding.

This is the second unsolicited

hid Cannon has received in a vear. In January last year, Mr Harold Geneen, the former chairman of ITT, and a group of private investors made a similar bid which was turned down. That bid also put a value of \$376m on the company.

cent of the shares being tendered, as well as on approval from the board of directors and certain large shareholders.

Cannon's Board said yester day that it would refer the bid to its financial advisers and would not take a position until it had received their report.

Carolina, is the largest manufacturer of towels and sheets

The offer from Pacific Hold- in the U.S. Sales in 1980, the the sale of home textile proings is for \$40 for each of last full year for which figures cannon's 9.4m shares, conditional on a minimum of 62 per profits \$21m. Although the textile industry is highly comlems, Carpon has undergone a hig shake-up which is said to have improved its business prospects. As a take-over target it is also attractive because it

has a strong balance-sheet and \$60m in cash. Cannon Mills, based in North cent controlled by the Cannon family, finds about 80 per cent

ducts such as towels, sheets, matching draperies. Consumer textile products are nationally petitive and fraught with prob- sold via a wholly-owned subsidiary Cannon Mills Inc., to department and chain stores as well as through other retor outlets.

Profits fell sharply in 1980 as the U.S. recession but intoconsumer spending but the 1981 fiscal year, which ended on December 31, showed an undern both sales and carrings. Order backlog was also strong.

GM to raise

property deal

By Our New York Staff

GENERAL MOTORS,

number one U.S. car manufac-

turer, has granted a U.S. read

estate investment company an

option to buy its landmark New York skyscraper in return for a \$500m medium-term private

loan at an extremely favourable

The transaction involves

private financing of \$500m in 10

per cent 10-year notes for GM.

arranged through Corporate

Property Investors (CPI). GM

currently has a double A debt rating and would have to pay

around 15 per cent in interest

to raise a similar debt in the

New York bond market.

\$500m in

Bethlehem outlines steel policy

BY OUR FINANCIAL STAFF

BETHLEHEM STEEL, second largest of the U.S. steelmakers, intends to continue to put its money into the steel business for at least the next two years, Mr Donald H. Trautlein, chair-He was outlining the short-term policy at Bethlehem Steel in the market for its major products. Bethlehem's strategy seems to

contrast with that of some of its competitors, which are aggressively diversifying into non-steel businesses. U.S. Steel, the largest steelmaker, is currently bidding \$6.4bn for Marathon Oil. National Steel has moved into the savings and loan industry while Armco has bought on insurance company.

"Our intention today is not to look outside the business we are in order to improve its financial for its own steelmaking opera-in naw," Mr Trautlein said. performance. Return on sales tions.

WHITE MOTOR said in Cleve-

land that unaudited financial

statements filed with the Securi-

ties and Exchange Commission

disclosed that the company in-curred losses of about \$146m

in connection with truck and

farm equipment operations now

discontinued and a deficit of

about \$156m on the disposition

of their operations during the

15-month period ended March

company, bought the truck-making business of White in

Net loss for this period was

White filed a voluntary peti-

after extraordinary

Volvo, the Swedish car

83 per cent of Bethlehem's in 1979. \$6.7bn in total sales. The rest came from shipbuilding, plastics in steel was unlikely to im-and coal operations. Under- prove we might have to make man, said in a recent interview. scoring the group's commitment He was outlining the short-term to steel is the company's \$750m modernisation of four of its light o fthe currently depressed steel plants over the next four years, announced last July.

> the company's efforts to become "the lowest cost" steelmaker in the industry—where low productivity has been a major cause of poor earnings-will pay off when demand picks up. However, Bethlehem is not discounting the possibility that it might be forced in the future to go outside the steel industry as others have done,

White Motor puts losses at \$301m

Since that filing, business

affairs have been operated on

the basis of debtor-in-possession,

under supervision of the Bank-

The White Motor Credit re-

organisation plan, as subsequently amended, was con

said the confirmed plan contem-

plated payment in full to the

and the possible sale of such could be

ruptcy Court in Cleveland.

U.S.

September 1980

In 1980, steel and steel was a dismal 1.8 per cent in related operations accounted for 1980, down from 3.9 per cent

of its operating profits from

"If we saw that the situation prove we might have to make another decision," said Mr Trautlein. But we don't have a strategy at this time on nonsteel diversification."

ears, announced last July. The board is considering the Mr Trautlein believes that sale of "one or more" of the company's coal properties. which include more than 1bn tons of coal reserves.

Mr Trautlein said the company also planned to increase third party sales of coal by developing some of its proper ties, either alone or in joint ventures. Bethlehem currently mines about 10m tons annually. of which it uses about 8m tons

amount of payment to creditors

and other parties concerned are

dependent on several factors,

including a final determination

of the price to be received for

assets sold to Volvo and the

future of the White Motor

White Motor said the net loss

further adversely

period including disposition

iosses resulted in a negative worth of about \$69.4m. It said

In return for this favourable loan, GM said it had granted an option to buy its Fifth Avenue skyscraper—one of the most valuable mid-town Manhattan

interest rate.

properties—to a partnership in which CPI is acting as general partner. The option is exercisable in 1991 at a price of not less than \$500m as well as payment of

the existing mortgage on the

building. GM is extremely pleased with the transaction. Last April, the car maker, which has faced increasing financial pressure as a result of the unhappy state of the U.S. motor industry, indicated at planned to sell its landmark Marhattan building which overlooks Central Park. in one of the city's most prestigious locations.

But the New York real estate market, which had been boomfinance operations during 1982. affected by the outcome of a line in recent years, came to a Negotiations were continuing number of uncertainties set standstill in the face of continuing ing high interest rates.

NEW ISSUE

credits of about \$11m.

These Debentures having been sold, this announcement appears as a matter of record only.

with creditors relative to its forth in its SEC filing.

firmed by the Bankruptcy Court incurred during the 15-month on December 21. White Motor period including disposition

creditors of White Motor Credit the reported negative net worth

tion under Chapter 11 of the plan. The final form of the plan

Bankruptcy Code in and the ultimate timing and

Credit.

JANUARY 1982

U.S. \$80,000,000

Pacific Gas and Electric Finance Company N.V

15% Guaranteed Debentures Due 1989

Unconditionally guaranteed as to payment of principal, premium, if any, and interest by

Pacific Gas and Electric Company (Incorporated in California)

Credit Suisse First Boston Limited

Algemene Bank Nederland N.V. Banque Internationale à Luxembourg S.A. Berliner Handels- und Frankfurter Bank Crédit Lyonnais

Bank of America International Limited Banque Nationale de Paris

County Bank Limited

Yamzichi International (Europe)

Daiwa Europe Limited

Dresdner Bank Aktiengesellschaft Kleinwort, Benson Limited Kredietbank N.V. Samuel Montagu & Co. Limited Swiss Bank Corporation International Limited

Union Bank of Switzerland (Securities) Limited

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December 1981

All of these securities having been sold, this announcement appears as a matter of record only.

Carlsberg group to sell its brewing know-how to China

BY HILARY BARNES IN COPENHAGEN

UNITED BREWERIES, the Danish brewer best known for based enzyme. its Carlsberg and Tuborg brands, is to sell brewing know-how to

It has signed a technical and co-operation agreement with Guangzhou (Canton) Brewery under a deal claimed to be the first between a Western and Chinese brewery.

Mr Poul Svanholm, UB's managing director, expects to sign similar agreements with other brewers in China. Stressing that China planned to quadruple beer production over the next decade, he said the deal "interesting perhad some

UB also said yesterday that it was setting up a biotechnical company, Carlsberg Bio-

technology, to exploit a yeast-

The process could be used. for example, to make "human" insulin as an alternative to the chemical and gene-splicing techniques which have been developed by other companies. Carlsberg's scientists, who believe they are currently ahead of other researchers in this

field, say the process enormous potential. UB does not plan to go into the production of the end products, such as insulin, but to sell the active agent and the know-how to clients.

It would be several years before the process was fully developed for commercial exploitation but "the process has substantial earnings poten-tial."

Norsk-Hydro forecasts maintained annual profit

way's largest industrial concern, expects after-tax profits for 1981 to broadly match the NKr 1.07bn (\$185.4m) achieved 1980. Turnover at about NKr 16bn will also be in line

with the earlier year.
Mr Odd Narud, Hydro's president, said the overall result was satisfactory thanks mainly to the group's earnings from offshore oil and gas, now its largest single source of income.

Among its land-based activities, petro-chemicals and light (magnesium aluminium) had been hard hit by the world recession and the prospects for 1982 were not

The fertiliser division on the

NORSK HYDRO, the industrial 1981 and the outlook was and energy group which is Nor- "reasonable": Hydro's involvement in foreign fertiliser plants had made the group one of the world's largest in this field.

Despite the current slump on the world aluminium market Hydro was optimistic about the longer term outlook for the metal, and was going ahead with expansion of its smelter in Karmoy, western Norway.
This, the group's largest

investment project in mainland Norway, will expand capacity to 160,000 tonnes per year from 110,000 tonnes, and is expected to be completed late this year or early in 1983.

Norsk Hydro has also recently increased its stake in another Norwegian aluminium Plant Sor-Norge Aluminium to other hand had a good year in 25 per cent from 20 per cent

Daimler-Benz in U.S. reshuffle

DAIMLER-BENZ, the West liner and Euclid. German motor group, is to realign its organisation in North America. A new company. Daimler-Benz of North America Holding Company, will be the parent corporation of Mercedes-Benz of North America Freight-

New Issue / December, 1981

\$200,000,000

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151/2 Sinking Fund Debentures Due 2011

Mercedes - Benz of North America will continue to be the passenger car importer and distributor and will also be the parent of the recently formed fercedes-Benz Truck Company. In addition it will be the parent of Mercedes-Benz Canada, of

Mercedes-Benz Service Corporation and of two companies responsible for retail sales operations in New York and ins Angeles.

Spain's capital market comes of age

OVER the past year syndicated peseta loans have become a significant element in financing the medium requirements of Spanish industry, notably in the case of the state holding com-pany. INI, the steel industry, and the utilities.

Resort to large-scale floating rate peseta syndications reflects the financial liberalisation set in motion in 1977 by which the Government sought to introduce proper capital market in Spain remove the out-dated dependence on commercial and savings bank lending at un-

economic rates. The first syndicated peseta loan—Pla 7bn of two-year funds -was signed in October 1980 by the national motor group, Seat. Since then about Pta 109hn (\$1.03bn) worth of syndicated peseta credits have either been signed or are being negotiated, the vast majority of which were initiated during 1981.

The Seat loan, which set the ball rolling, was to some extent political. The company was state controlled, and the banks participated largely as a gesture or solidarity for a troubled

national company.

The real test for the new market came last May when Chase Manhattan successfully negotiated a Pta 7bn credit over six years for the private utility. Sevillana. This represented a breakthrough for two reasons: it extended the length of the credit significantly; and it showed that Spanish banks. albeit on foreign initiative, were willing to try the process in the private sector.

commercial rates. For the more conservative Spanish banks the initiative came as an unpleasant

a local preserve by a foreign in local market rates. And One month later the Spanish banks themselves put together a loan package to Sevillana, this time for Pta 4on but also over six years. Since then the new market has not

looked back. The syndicated peseta loan market has been nurtured by the Bank of Spain, and has been championed by the more

Financial liberalisation instigated by the Spanish Government in 1977 has considerable to development of the country's capital market and significant growth in syndicated peseta loans. ROBERT GRAHAM in Madrid reports

aggressive of the large Spanish banks. Banco de Vizcaya in particular has been active, being agent in six out of the 13 credits so far arranged.

But stimulation has also come from external forces. The depreciation of the peseta in the past 14 months has been sharp. At the time of the signature of the first such loan the peseta stood at Pta 76 to the dollar. The parity is now down to Pta 97 against the U.S. currency. Not unnaturally depreciation

By offering a six-year on this scale has forced many maturity the Sevillana credit companies and institutions to broke the innate caution of the turn away from the Euromarkets Spanish banks regarding the and tap instead a less costly

length of such a large credit at peseta market. Hand in hand with the difficulties of coping with exchange rate risk has been the risk of fluctuating interest rates. Borrowers have This sense of encroaching on preferred to opt for fluctuations bank quickly prompted a reac- this too has been a novelty. Until recently the idea that there could be floating peseta loans for medium term finance

was almost inconceivable. A further element that has favoured the development of eseta loans has been the surplus liquidity in the Spanish banking system. Demand for private sector credit has been slack, so much so that the Bank of Spain has revised downwards its money supply targets.

The market, however, has clearly begun to approach its current optimum and cannot expect to continue to expand at the pace of 1981. Indeed there is concern that large scale funding of single institutions or companies will absorb too much of the available pool of funds. This concern was publicly expressed recently when the three integrated steel companies with an INI guarantee sought Pta 20bn equivalent to almost a quarter of the total raised so far in peseta credit

Some banks complain that their margins are squeezed on peseta loans, especially as a turnover tax is applied. They maintain that this could ultimately inhibit the growth of this market. However, the more sanguine in the banking com-munity feel that they have to learn to live with tighter margins, and that floating rates for medium term peseta finance will continue to have an irre-

Further growth in 1981 for Banca del Gottardo

BY JOHN WICKS IN ZURICH

INCREASED dividend one-for-ten rights issue of new total and a further rights issue shares and participation certifiare announced by Banca del cates, the conversion of part of Gottardo, the first Swiss bank the participation - certificate Gottardo, the first Swiss bank the participation - certificate to disclose figures for calendar capital in share capital of the 16 per cent to SwFr 3.65bn (\$2.05bn) in the year, and gross profits by 15 per cent to SwFr 34.5m. Net earnings were up by 11 per cent to SwFr 25.5m.

The bank recommends an unchanged 12 per cent dividend on increased capital of capital and SwFr 20m in partici-SwFr 90.75m, and a silver pation-certificate capital. jubilee bonus of 2 per cent. At the bank's February 26

annual meeting, shareholders expanded its balance-sheet total half of 1981, compared with will also be asked to approve a by 12 per cent to \$28m in 1981 loss of LA35on for all of 1980.

1981. The Lugano-based bank same nominal value, and the lifted its balance sheet total by creation of new share capital without subscription rights for existing holders of shares and participation certificates. If all the recommendations

are approved, capital resources will increase to SwFr 310m, including SwFr 80m in share

Bahamas subsidiary Gotthard Bank International expanded its balance-sheet total **Montedison** expects recovery

By Our Financial Staff

MONTEDISON, in a report to the Milan brokers' committee, said the top priority for Italy's biggest petrochemicals group is to return to profits.

Sig Mario Schimberni, the group's chairman, said a finan-cial reorganisation to reduce the group's interest burden. and a change in the production mix to emphasise secondary chemistry items, should turn the group's results round.

The most recent figures show the group posted a loss of L267on (\$223m) in the farst half of 1981, compared with a

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NEW ISSUE

This envoyagement appears as a matter of record only.

Kuala Lumpur listing for Multi-Purpose Holdings

BY WONG SULONG IN KUALA LUMPUR

MULTI-PURPOSE HOLDINGS, The group controls three the investment arm of the publicly listed companies.

Makaysian Chinese Association Bandar Raya, one of the largest

An epplication for listing has also been made to the Singapore exchange, which is expected to allow trading on the same day. MPH, was incorporated five

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والمراج المنافقة

years ago by the MCA with a public subscription of 30m ringgit (U.S.\$13.3m). After a series of bonus and rights issues, its paid-up capital is now 380m ringgit in one ringgit shares. It would rank second in paid-up capital, after Singa-pore's United Overseas Bank, on the exchanges,

Makeysian Chinese Association (MCA), a partner in the Malaysian Government, has obtained bousing developers in Melaysia, sian Government, has obtained bousing developers in Melaysia, sian Government, has obtained bousing developers in Melaysia, a listing on the Kuala Lumpur tion, and Malaysian Plantations. It also has equal control with be traded from January 11.

An equalization for listing has of United Malayan Banking of United Malayan Banking Corporation, the country's third largest bank, and has con-

> MPH has agreed, as previously reported, to issue 20m new shares to Bumiputras (Malays) at a price to be fixed by the Government's capital issues

Nissan in talks on production in India

A DELEGATION from Nissan Motor of Japan is to hold talks this month with Maruti, a government-owned company, on building a low-price car in India, Other contenders include Renault and Peugeot of France, and BL of the UK, but indications are that Nisson is at present the favourite. Agreement could be reached in the next few weeks.

In a separate deal, Nissan said, it has tentative plans for it and State-supported Hydeabad Allwyn to build an assembly plant to manufacture a three-tonne truck in Andhra Pradesh, Central India. Final agreement has not been reached yet, Nissan added.

The controversial Maruti project was started by the late Mr Sanjay Gandhi, son of Mrs Indira Gandhi, the Prime Minister. After setting up an elaborate factory complex in Haryana state, he abandoned plans to make the low-price small car for which the project was licensed, and diversified into areas such as road rollers.

After his death in June, 1980. Uquidation proceedings were started But shortly before the courts were to pass final orders on Maruti, the Indian Government nationalised it and paid off all its debts. It was then decided that Maruti should again attempt to make cars.

At present, only two cars are made in India and both are highly priced and obsolete Recently, however, Premier Automobiles signed an agree-ment with Flat to import dies and other equipment to make a new model at its plant in Bombay where at present it makes the Padmini based on a previous agreement with Fiat of Italy.

The other car manufacturer Hindusthan Motors of Calcutta has just signed an agreement with Vauxhall of Britain to make a new car at its plant where it presently makes the Ambassador which is based on a collaboration agreement with Morris that lapsed more than

\$1.26m a year for the next

kets. The industrial Develop-

supplier of long-term funds to

Indian industry, has just raised its first syndicated loan.

The value of the Swiss francs

offering was raised from the equivalent of \$15m to \$25m because of the response of the

The Government has also

given permission to private sec-tor business to borrow inter-

guarantee and an offering worth about \$23m by Reliance

As there is still not much three years under the terms of Indian borrowing on the mar-the SDR 5bn (\$5.8bn) loan

The lead managers for the India will, however, be pushed issue will be Lazard Brothers more into the commercial mar-

India is supposed to limit its worth about \$23m by Reliance commercial borrowings to about Textiles is nearing finalisation.

traditional

at least 19m ringgit in pre-tax profits for 1981, and substantially higher profits this year if commodity prices improve. MCA controls MPH through KSM, a co-operative society, which holds more than 45 per

Berhad, has also applied for a trolling interests in Guthrie Berhad, and Dunlop Estates, listing on the Kuala Lumpur exchange. It is making a 3.5m issue of 1 ringgit shares at 1.2 ringgits each, of which 43 per both purchased from their UK parent companies last year. cent is reserved for Bumiputras. The company, manufactures

chocolates under licensed brand names like Van Houten and Windmolen. It expects a pre-tax profit of 2.8m ringgit for MPH shares are currently 1981 and promises a 10 cent trading at 3.5 ringuit to 4 ring-dividend.

Non-ferrous boost for **Union Steel**

UNION STEEL Corporation, the South African metals pro ducer which claims the lead in the country in special steels, expects its non-ferrous division to support a "satisfactory" group performance in the current financial year ending September 30

Last year's increased demand for non-ferrous products is seen as remaining constant, with profits in the division showing a further gain.

Weakening motor industry demand for steel, and fierce competition from overseas manufacturers of forged tool steel, are forecast.

Union Steel reported pre-tax profits of R15.03m (\$15.5m) in the nine months ended September 30, against R17.40m in the 12 months to December 31, 1980, and net profits of R11.2m against R13.4m, for an adjusted gain of 12 per cent.

Earnings per share totalled 37.64 cents, against 44.95 cents,

thanks to tax concessions and

Indian banks hard pushed to meet reserve ratios

a delicate problem for the authorities who have to decide whether to apply tough penal-ties or to persuade banks to fall into line.

Senior executives of several banks have admitted for the first time that they were hard pressed to meet the cash reserve requirement and some said that they had fallen behind on the statutory liquidity ratio. Both rates have been pushed up recently. The cash reserve on deposit with the Reserve Bank rose to 7.5 per cent of deposits at Christmas and is scheduled to rise to 7.75 per cent on January 29 and to 8 per cent on February 26. The liquidity ratio went up to 35 per cent in October from the low thirties earlier in the year.

There is more incentive for banks to abide by the cash reserve ratio because there is already a built in penalty of high interest rates on the short- the liquidity ratio.

ing to bankers at the State Bank of India, the country's

INDIA'S next hig international at Paradip in Orissa State is put for some lenders.

commercial loan, for the steel at \$2.87bn, of which \$1.5bn will

the finest rates that developing - Euromarket loan was originally

Asian countries have seen, pencilled in at \$750m, accord-

Negotiations will begin in largest commercial bank, but

earnest before the end of the will probably now be of at least

month when the location of the \$800m and could reach \$10n. steel plant has been finalised.

Some bankers are talking confidently of a spread of a flat ing of the loan which will allow

per cent above the London the benefits of the export interbank offered rate (Libor), credits end of the double taxafor the 10 year life of the loan; tism agreement recently signed Others contend that if the between India and the UK.

Indian Government pushes The bankers did not go into hard, it may achieve a rate as the details of the packaging, but low as 1 per cent, at least for said that a spread of 1 over part of the term.

The total cost of the 1.5m equivalent to 1 per cent or even tonne a year plant to be built up to 1.4 per cent above Libor

failing to meet the stiffer interest on the whole of the reserve requirements imposed cash deposited with the Reserve by the Indian Government at Bank.

Fine terms seen for Indian steel plant loan

plant project won recently by be provided under export Indian borrowing on the marthe SDR 5bn (\$5.8bn) loan Davy Corporation of the UK, credits from the UK, France ket and banks are reported to from the International Monemay reach \$1bn, according to and West Germany and a be competing keenly to get into tary Fund, but the Paradip probankers in Bombay Despite its further \$560m in aid from the the deal, the Indian Ministry of ject is excluded size, the offering may attract. UK and France. The size of the Finance may try to pare the Because of a shortage of

In theory the Reserve Bank can also fine banks failing to meet the liquidity ratio of Rs 2,000 (\$220) a day but one bank executive said: "In law the punishment also includes imprisonment, but so far the Reserve Bank has been understanding."

Banks have faced an especi

ally tight time recently. The bigger ones had to provide Rs 1bn (\$110m) to the Food Corporation of India, apart from the usual liquidity and cash demands. Normal end-year borrowing requirements of businesses are also heavy. On top of this, some deposits have also been withdrawn to buy special bearer bonds, a scheme designed by the Government to mop up black (illegal) money.

In some cases banks may be tempted not to cut overdrafts too quickly, especially if the Reserve Bank is slow to penalise them for failing to keep to

rates even more finely.

of the UK, Davy's Bankers, plus

Paribas of France, Commerz-bank of West Germany, and the

State Bank of India. Alsthom of

France and Schloemann-Siemag of Germany will be Davy's

principal partners in the project.

The lead group is also expected to include a number of the UK's

big four banks plus Manufac-

turers Hanover Trust of the U.S.

which has been courting India. India is keen to see good

representation from Japan

among the lenders.

December, 1981

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U.S. \$100,000,000

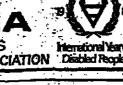
Convertible at the holders' option into 91/2% Fixed Rate Debentures due 1995

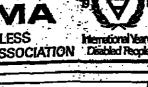
In accordance with the provisions of the Debentures, notice is hereby given that for the six month Interest period from 4th January. 1982 to 6th July, 1982 the Debentures will carry an interest Rate of 15½ per cent per auntum and that the interest payable on the relevant Interest Payment Date, 6th July, 1982 against Coupon No.4 will be U.S. \$775.21.

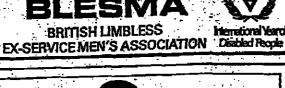




International Year of









Floating Rate Debentures due 1987

Guaránteed by the Republic of Itely

The Bank of Tokyo, Ltd. London

U.S. \$36,303,260 **Medium Term Facility**

BANCO DI NAPOLI

SEZIONE DI CREDITO INDUSTRIALE BANCA NAZIONALE DEL LAVORO SEZIONE DI CREDITO INDUSTRIALE

> ISVEIMER CONSORZIO S.C.C.

As Pinel Taker
To part-firmos a project ju Algeria FIRST CHICAGO LIMITED

CREDIT AGRICOLE

THE BANK OF NOVA SCOTIA GROUP LIBYAN ARAB FOREIGN BANK

THE NIPPON CREDIT BANK, LTD.

BANQUE CONTINENTALE DU LUXEMBOURG S.A. **EUROPEAN ARAB BANK**

BANQUE INTERCONTINENTALE ARABE

THE DAIWA BANK, LIMITED

NEDERLANDSE CREDIETBANK NV

THE HIST NATIONAL BANK OF CHICAGO CREDIT AGRICOLE THE BANK OF NOVA SCOTIA CHANNEL ISLANDS LIMITED . . . LIBYAN ARAB FOREIGN BANK . THE NIPPON CREDIT BANK, LTD.

RANQUE CONTINENTALE DU LUXEMBOURG S.A. BANQUE INTERCONTINENTALE ARABE

THE DAIWA BANK, LIMITED EUROPEAN ARAB BANK NEDERLANDSE CREDIETBANK NV. ARAB HELLENIC BANK S.A. BANQUE INTERNATIONALE DE GESTION ET DE TRESORERIE BIGT TAT LEE BANK LIMITED, SINGAPORE



These Notes having been sold, this announcement appears as a maner of record only.

New Issue



Red Nacional de los Ferrocarriles Españoles

SDR 50,000,000

Guaranteed Floating Rate Notes due 1989

irrevocably and unconditionally guaranteed

The Kingdom of Spain

Orion Royal Bank Limited **Allied Irish Banks Limited** Daiwa Europe Limited

Fuji International Finance Limited LTCB International Limited Morgan Guaranty Ltd Société Générale

بيها والمرابع والمرابع والمناج والمرابع والمستهام والمستهام والمستخدم والمرابع والمرابع والمستعدد والمستعدد والمستعدد والمستعد والمستعدد والمستعد والمستعدد والمستعدد

Sumitomo Finance International CAN HERD AND CORNERS OF THE STOLEN

Managing director for Chivers Hartley

Mr John Morrison has been appointed managing director of CHIVERS HARTLEY, the preserves subsidiary of the tea and foods division of Cadbury Schwennes Ha moves from COMPANY (SCITCO) will take Schweppes. He moves from Jeyes, also a subsidiary of Cad-bury Schweppes.

D. M. SLADE AND CO. com-menced trading on January 4. The directors are Mr Martin Slade, Mrs Walerie Slade and Mr Derek Thornton. The company will trade in association with the Kinipmonth Group of Lloyd's broking companies. Mr Slade will be joining the board of Kininmenth Management, Kininmonth Marine, and Kininmonth Risk Management. Mr Thornton is appointed a director of Kininmonth Risk Management.

Lord Windlesham, has been appointed to the board of the GATEWAY

INTERNATIONAL TRADING COMPANY (SCITCO) will take over responsibility for inter-national sales of petrochemicals. The president of SCITCO will be The president of Scitted will be Mr A. N. Binder and the follow-ing vice-presidents are appointed: Mr E. L. M. Delboy (industrial

chemicals trading); Mr R. Land chemicals trading); Mr K. 1and (organic chemicals trading); Mr J. E. Lane (polymers trading); Mr C. N. Weller (East Europe and Middle East trading); Mr M. P. Lippner (supply and distribution); Mr P. Brock (finance). Mr Michael Butler and Mr

Andrew Stoppani have been appointed directors of MACLAINE WATSON AND CO., the London subsidiary of Drexel Burnham Lambert, U.S.

Mr R. W. Goodfellow, Mr D. D. * Grant, Mr R. L. Hargot and Mr Shell International Chemical J. P. Monaghan will be joining Company has made changes in the partnership of BUCK-

MASTER AND MOORE, stock- appointed an executive director brokers, on January 8.

Mr R. E. Cole has been appointed to the board of CAMERON RICHARD AND SMITH INSURANCE SERVICES following mutual agreement with Darke has been marketing Seascope Holdings regarding manager and Mr Middleton works termination of his former conmanager. tract. Mr John S. Bennett has also joined the board. Mr Cole has also been appointed a director of Ropner Insurance Services. from MONTEDISON UK at the

Mr A. C. Rix has been appointed for 1982 to a visiting appointed marketing director of professorship in the department BONAR AND FLOTEX, carpet of business studies in The subsidiary of the Low and Bonar Queen's University of Belfast. Group, Dundee.

Mr Simon Everard is the new vice-chairman of the LEICESTER BUILDING SOCIETY, succeeding Mr Roy Kemp who has retired. Mr Everard is chairman of Ellis and Everard, Leicester-based chemical merchants.

WHEELOCK MARITIME
INTERNATIONAL, part of the
Wheelock Marden Group, has
appointed Mr C. B. M. Lloyd as a director.

DRAYTON MONTAGU PORT-COLIO MANAGEMENT has deputy chairman, Mr Richard FOLIO MANAGEMENT has appointed Mr Clive Blomfield-Smith and Mr Nicholas L. Taylor to the board.

Mr Nigel Keen has been board of the Savoy Hotel Group.

FT UNIT TRUST INFORMATION SERVICE

\$ & £ firm

Middleton have been appointed directors of Turner and Newall's subsidiary, BIP VINYLS. Mr by Dr Henry Kaufman, of to SwFr 3.4650 from SwFr 3.525, Salomon Brothers, about firmer but eased to Y240 from Y422. Dr Laurence M. Smith retired end of 1981, and has been U.S. rates this year also lent

support to the dollar. Sterling was generally firm, despite easing against the strong dollar. Reaction was favourable to the provisional money supply figures released in the afternoon.

per cent (10.2 per cent previous month). Unemployment 8.4 per cent (8.0 per cent previous month). — The dollar rose to DM 2.2610 from DM 2.2410

M 2.2610 from DM 2.2410

M 2.2610 from DM 2.2410

M 2.2610 from DM 2.2410 against the D-mark; to FFr 5.7375 from FFr 5.6850 against the French franc: to SwFr 1.8110 from SwFr 1.7910 in terms of the Swiss franc; and to Y219.50 Y219.00 against the

Japanese ven. STERLING - Trade-weighted index 91.4 against 91.4 at noon, 91.6 opening and 91.3 previous close (93.2 six months ago). Thre-month interbank 1513 per per cent (11.7 per cent previous month). Unemployment 113 per a general level of \$1.92 during respectively.

central sates

40.7572

7.91117 2.40989 6.17443 2.66382

Belgian Franc ... Danish Krone ... German D-Mark Franch Franc ... Dutch Guilder ...

Dollar rose against other the morning Demand for the major currencies yesterday on higher Eurodollar interest rates. Sterling down to \$1,9115-1.9125 in The upward trend in Eurodollar the afternoon, and it closed at and U.S. money market interest \$1.9120-1.0130, a fall of 1,40 cents rates followed the larger than on the day. The pound rose to expected rise in the weekly money supply figures. Comments FFr 10.9750 from FFr 10.95; and

D-MARK - EMS (second weakest). Trade-weighted index 122.1 against weakest). 122.7 on Monday and 115.7 six months ago. Three-month interbank 10.825 per cent (12.95 per European currencies showed cent six months ago). Annua little change, with the French inflation 6.3 per cent (6.6 per cent six months ago). Annua franc at the top of the European cent previous month). Unem Monetary System, and the polyment 6.4 per cent (5.9 pe Belgian franc remaining the cent precious month) — The weakest member.

D-Mark recorded mixed change weakest member.

Dollar — Trade-weighted against its EMS partners at the index (aBok of England) 107.2 Frankfurt fixing, gaining groundings are in the french franc and against the French france and against the French fr against 106.4 on Monday and against the French franc and 110.6 six months ago. Threemonth Treasury bills 11.50 per cent (11.34 per cent six months 20.4 Angual inflation mote 0.6 to DW 2.2540 fra mDS 2.2338 cent (11.34 per cent six months Dutch guilder. The dollar ros 230). Annual inflation rate 9.6 to DM 2.2540 fro mDM 2.2332

FRENCH FRANC - EMS member (strongest). Trademember (Strugges), weighted index 80.5 per cent against 81.0 on Monday and 82.4 six months ago. Three-month interbank 15 k per cent (17) per cent (17) per cent (17) per cent (18) per cent (19) per c cent six months ago). infiation 14.3 per cent (14.1 per cent previous month). Unemployment 1.846m (1.818m previous month)—The franc weakened against all major currencies at the Paris fixing, but remained strongest member of the EMS. The two weakest members, the Belgian franc and D-mark rose to month). Unemployment 112 per cent (11.1 per cent previous Belgian franc and D-mark rose to month)—The pound opened at its highest level of the day, at \$1.9265-1.9275, and declined to \$1.9265-1.9275, and declined to \$1.9265-1.9275.

THE POUND SPOT AND FORWARD

ιn	E PUDI	D 01 0.				
Jan 5	Day's apread	Close	One month	7. P.P.	Three months	p.s.
U.S. Canada Nethind. Beigium Denmark Ireland W. Ger. Portugal Spein Italy Norway France Sweden Japan Austria Swifz	1.9115-1.9275 2.2730-2.2880 4.73-4.77 73.50-73.90	1.9120-1.9130 2.2740-2.2750 4.74-4.75 73.60-73.70 14.09-1-14.09-1 1.2210-1.2225 4.221-4.33-1 125.00-185.10 2304-2306 11.71-11.12 10.93-10.98 10.80-10.51-4 419-1-420-1 30.25-30.30 3.48-3.47	43-33-0re pm 0.36-0.48p dis 2-13-pt pm 20.185c dis 10-40c dis 134-16-11re dis 23-11-0re pm par-10 dis	0.83 4.42 -6.19 -4.12 -4.85 -7.63 -7.63 -7.63 -9.55 -9.55 -9.55 -9.55 -9.55 -9.55 -9.55	51,51, pm 0.95-1.15dis 51,47, pm	4.46 0.25 3.79 -5.76 -3.44 -8.55 -1.77 -8.17 -1.84 -1.45 -1.

eigian rate is for convertible francs. Financial franc 80. AF-60.80. Six-month forward dollar 0.87-0.77c pm. 12 month 1.15-1.00c pm.

THE DOLLAR SPOT AND FORWARD

Jan 5	Day's spread	Close	One month	р.з.	Three months	9, D.S.
UK† Ireland† Canada Nethind. Betgium Denmark W. Ger. Portugal Spain Italy Norway France Sweden	1,9115-1,9275 1,5570-1,5755 1,1875-1,1896 2,4710-2,4790 38,32-38,53 7,3420-7,3725	1.9120-1.9130 1.5685-1.5705 1.1885-1.1888 2.4760-2.4780 38.49-38.51 7.3675-7.3725 2.2605-2.2615 65.35-65.55 97.20-97.30 1204-1205 5.8030-5.8090 6.7350-5.7400 5.5420-5.5470 219.46-219.55	0.35-0.25c pm 0.85-0.75c pm 0.12-0.16c dis 0.61-0.51c pm 21-25c dis 0.30-0.65ore pm 25-105c dis 25-35c dis 31-94 lire dis 0.10-0.50ore dis 0.46-0.20ore pm	5.12 -1.41 -7.17 -7.17 1.26 3.10 -11.92 -3.78 -8.96 -0.52 -2.19 0.65 7,52	0.75-0.65 pm 2.05-1.25 pm 0.32-0.37 pm 0.32-0.37 pm 62-67 dis 0.10p-0.40d 1,81-1.76 pm 65-235 dis 27-29 dis .65pm-35d 4.004.40dis 1.50-1.30pm 4.05-3.30 pm	4.97 -1.16 -2.78 -6.70 -0.08 -9.17 -3.57 -9.29 -0.10 -2.93 -7.24
Japan Austrie Switz	15.77-15.82 1.7960-1.8120	15.80%-15.81% 1.8105-1.8115	51,-4gro pm 0.84-0.74c pm	5.23	16-13 pm 2.16-2.06 pm	3.67 4.66

t UK and Ireland are quoted in U.S. currency. Forward premiums and t UK and Ireland are quoted in U.S. currency.

CURRENCY			CURR	ENC	Y RAT	'ES
Jan. 5	Bank of England	Morgan	Jan. 4	Bank rate Z	Special Drawing Rights	Europez Currency Unit
Sterling	91.4 107.2 88.4 117.2 104.7 87.3 129.1 153.6 114.6 80.5 55.7 145.2	-32.5 +0.9 -16.6 +24.8 +7.7 -10.4 +43.6 +104.2 +19.7 -14.5 -57.4 +39.5 inges from pher. 1971.	Sterling U.S. 8. Canadian S. Austria Sch. Belgian F. Danlah Kr. D mark. Gulider. French Fr. Lira Yen Norwyn. Kr. Spanish Pts. Swedish Kr. Greek Dr'ch.	15 11 7 9 9 19 19 5 12 8 11 6	2,61446 2,86985 6,62276 1396,30 256,583 6,77960 112,454 6,44077 2,09129	1,09601 1,29833 17,1415

OTHER CURRENCIES

3,465 1,812

Jan. 5	£			S Note Rates
Argentina Peso. Australia Dollar Brazzi Cruzelro Finland Markka Greek Drachma Hong Kong Dollar Iran Rial Kuwait Dinar (KD) Luxembourg Fr Malaysia Dollar New Zealand Dir. Saudi Arab. Riyai Singapore Dollar. Sth. African Rand U.A.E. Dirham	1.6976-1.6998 843,62.944,62 8.316-8.331 108.214-111.126 10.90-10.92 151.75* 0.537-0.543 73,60-73.70 4.3040-4.3140 6.52-6.58 3.9250-3.9350	127.18-127.80 4.3535-4.3555 57.60-57.70 5.6875-5.6925 78.60 0.2813-0.2816 38.49-38.51 2.2460-8.2480 1.2115-1.8125 3.4195-3.4216 2.0485-2.0505 9.9565-0.9576	Denmark	30,15-30,45 80,15-82,15 14,08-14,20 10,92-11,02 4,301 ₂ -4,341 2310-2370 4,22-427 4,721 ₂ -4,754 11,07-11,17 124-137 185-1994 10,58-10,68 5,441 ₂ -3,481 ₂ 1,91-1,93 90-96

† Now one rate, * Selling rate,

532.6 5488.

2100, 665,2

2,072

73,65 38,51

17,02 175,4

67,11 21,26

15,52 31,95

32,38 100,

Dutch Guile

4.745 2.481

cent (13% per cent six months ago). Annual inflation rate 12 Hirzel Ct., St. Peter Port, Guernsey. 0481-2644 Dealing to P.O. Box 73, St. Heller, Jersey

OFFSHORE & OVERSEAS FUNDS

ement Limited

Allen Harvey & Ross Inv. Nigt. (C.I.) 1 Chering Crose, St. Heller, Jay., C.I. 0634-73741 AHR Dollar Inc., Fd. 1051067 10 Berli 13.74 AHR Gilt Edip Fd.(1063 10.711-007) 14.00 Ulizace International Dollar Reserves cio Bank of Berrauda, Hamilton, Bermuda, Adv: ACMI, 62/63 Queen St., ECA. 01.248 9881 Distribution Dec. 30-Jan. 3 (0.001620) (12.6% p.2.1

B.I.A. Bond Investments AG Bank of America International S.A.

tarbisan Managers (Jersey) Ltd.

Brown Shigley Tst. Co. (Jersey) Ltd. P.O. Box 523, St. Heller, Jersey. 0534 74777 Stop. Del. Pol. Un. 152.79 Storing Cop. Pol. Ltd. | 513.62 | 13.63 | CAL Investments (Ichi) Ltd.

Caprilers S.A.
P.O. Son 178, 1211 Geneva 12, 010 4122 466288
Fonselex. F133.15 143.80 - 2.70 2.40 Capital Asset Managers Ltd.
Bernuda Hse, St. Julians Ave, St. Peter Port.
Guerrisey C.I. 00481 25266
The Currency Trust...|103.0 109.0|| 0.91

Chranton Communities (isle of Man) Ltd.

13.0 Next substitutes (isle of Man) Ltd.

23. Athel Street, Dougles, La.M.

24. Athel Street, Dougles, La.M.

25. Sept. La.M.

26. Sept. La.M.

27. Athel Street, Dougles, La.M.

28. Athel Street, Dougles, La.M.

29. Athel Street, Dougles, La.M.

29. Athel Street, Dougles, La.M.

20. Tripet Management Life (CCL)

27. Tripet Management Lif

DWS Deutsche Grs. F. Wertpapiersp Gruneburgweg 113, 6000 Frankfart Investa | DN29.46 30.95|-0.25| --

Denischer Investment-Trust
Postfach 2685 Biebergasse 6-10 6000 Frankfurt Concentra [0806.58 17.401-0.11] — [181. Restentants [0862.50 64.06] — [0862.50 64.06] Dreyfus Intercontinental Inv. Fil. P.O. Box N3712, Nastau, Bahamas. NAV Dec 29_____[USS2917 31.01] Duncan Lawrie Inv. Mgt. (Jersey) Victory House, St. Peter Port, Guernsey. C481 28034

DL Sterling 42.4 44.5 7.50 DL International 51.18 125 550 Emson & Budley Tst. Ngt. Jesy. Ltd. P.O. Bor 73, St. Heller, Jessy. 0534 73933 E.D.I.C.T [132.8 144.3] The English Association
4 Fore Street, EC2.

E.A. Income Fd.**. 61.7

E.A. Secritis**. 657.0

E.A. Sec crobond Holdings N.V.

9, Avenue de la Liberte, Innentroury London Agent: FFS, Salisbury Hise, London Wall ECZM 57A Tel. 017-670 0776 Telex 887281. Europe-Obligations...| USS46.30 |+0.45| 1.77 Fuentax Investments Ltd. tex law. Fund......103.8 109.31 — F & C Mgmt. Ltd. Inv. Advisers Finelity International Ltd. P.O. Box 670, Hamilton, Bermu 8, Queensante Man American Assets
Am. Vals. Com. Pr. S.P.
American Vals. Com. "
Australia
Dollar Savings Trust
International 128 137 137 137

Frankfurt Trust Investment - Contail FT-Intervins 1946-002 Frankft, Effekt, Fd. 1962-90 55-26+0-88

G. T. Management (U.K.) Ltd. Park Hise, 16 Firstury Circus, London EC2 Tel: 01-628 8131. TLX: 896100 Park Res., Lo Fishers
Tel: 01-628 8031. Tilx: 886100
Lenter Agents for:
Aut. Li.
Aut

Hambre Pacific Fund Mgmt. Ltd.

Henderson Admin. (Guernsey) Util. 7 New St., St. Peter Port, Guernsey 0481 2 American (US conts). [129.5 136.3] +4.3 26541/2 10s 2 NAV

Hit-Samuel & Co. (Quernsey) Ltd. Hill Samuel Investment Mont. lethi.

et Managers Ltd. orges St., Dougles, IoM odities Tst.,199.1 105,41 Next dealing day .bin 6.

International Bond Trust international Pacific line, Migrat. Ltd. Invicts Investment Management

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| Commons of Commons o ational Trest Forth Mann: Korea Invest. Trust Co Ltd. c/o Victors da Costa Ltd. King William Street London, ECA. MAY July 7129 (A) IDR Value USS0016000 CA. on 7142.66) IDR Value

ent Trest Co.Ltd. /oldo-doug, Seoul, Kores. — — Lazard Brothers & Co. (Jersey) Ltd.

ey, Channel US\$13.12

99 Sampel Montagu L 114, Old Broad St., EC2.

its, Offis Res. Shrs. Fd. Inc.

PO Box 77, St. Peter Port, Guer

iter/Heimold Commodities 5, Gresnan Street, ECZV 71.H. 01-600 4177 Fd. Int. Dec. 1., 1948 1981 15.601 J Next desling data February 1. **Laterian. RBC Investment Managers Limited PO Box 246, St. Peter Port, Guernsey, 0401-2302). Stichmond Life Ass. Ltn.
4 His Street, Dougles, L.O.M.
The Silver First. 1862 175.97 +4.01 - 98.5 +1.01 - 98.

Rothschild Asset Management P.O. Box 50, St. Jolians C., Guerney, O.C. America Fel.† 1952 #6 2-61ad OCSm. Co. **** 1226 *50.ad O.C. Commodity** #17 *97.6

Paris [1081 1142] -1485 +04 0.17 21 **Dec 30 0705 27733

of EUROPEAN BANKING.

Mr L Darke and Mr D.

CHAMBERLAIN PHIPPS has

appointed Mr L. H. Phillipps as a

non-executive director. Until July 1931 Mr Phillipps was a

member of the board of Tube

Investments and chairman and

managing director of TI Raleigh

of J. A. DEVENISH AND CO. Mr Anthony Ledger Hill, will

retire, and be appointed presi-

Hargreaves who joined the com-pany as a director in February 1980. He recently retired as an

executive director from the main

On January 27, the chairman

Industries,

Schroder Unit Trust Mgrs. Int. Ltd. Box 273 St. Peter Port. G er Kemp-Gee Mingart, Jers

Signal Life Assurance Co. Ltd.
Signal Life Assurance Co. Ltd.
Growth Street Co. Ltd.
Growth 010350 73037 20, Cannon St., EC4. Strategic Metal Trust Magrs. Ltd.

Tokyo Pacific Holdings N.V.

Tyndall Group 2 New St., St. Hell Victory Home, Dengtas, tole of High Inc. Gift Dec. 30 371.4 (Accum Stares) 116.8 Managed Dec. 17 161.6 Fourt Increast Dec. 17 161.6 Property Dec. 17 185.4 linico invest. Fd. Moot. Co., S.A. Lex. London & Continental Bankers Ltd.

Vaubrugh Fund Magest. Intil. Ltd. 28.34 HB St., St. Heller, Jersey 0534 36281 Varbrigh Currency Fd.[107.2 107.5] -0.31 9.73 van Cutsem & Associates Ltd. 42 Essex Street, London, WC2 01.353 6845 PanAmer. 0's. Fd.J. US\$6.53 |

Prices are in pence unters otherwise indicated. Vields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. In Indian prices include all expenses, a Citized price of UK taxes, in Periodic promium insurance plans. In Starbuston free of UK taxes, in Periodic promium insurance at Offered price includes all expenses endant agent's conventation, y Offered price includes all expenses if bought through managers, Z Previous all expenses if bought through managers, Z Previous Chy's price. § Guernery gross. § Supported. 6 Yield before Jersey tax. † Ex-substitution. St Only wellstelle to charitable boudies.

Weak Co	are for ECU, there irrency. Adjustment irling/ECU rets for	CS/EGISTRO D	A Linguicier im	18 8 188.
EXCHANGE	CROSS RAT	res		<u> </u>
Jan. 5	PoundSterling	U.S. Dollar	Deutschem'i	Japan'seY
Pound Sterling U.S. Dollar	0,523	1.913 1.	4,328 2,263	420.0 219.6
Doublechemark	0.231	0,442	1.	97,05

EMS EUROPEAN CURRENCY UNIT RATES

against ECU January 5

41.6844 7.97465

2,44578

6,20413 2,68369 0,689930

change from central rate

+2.23 +0.80 +1.49 +0.48 +0.75

1,096 11,30 10.30 Jananese Yen 1,000 3,157 1. 382.7 121,2 19. 3,167 French Franc 10 Swiss Franc 88.51 182,2 2,313 4,761 2,059 Dutch Guilder Italian Lira. 1,900 anadian Dollar Reigian Franc 100 184.7 570.5 4,825 14,90 FT LONDON INTERBANK FIXING (11.00 a.m. JANUARY 5)

3 months U.S. dollars	6 months U.S. dollars	The fixing rates are the arithmetic means, rounded to the nearest one-slateenth, of the bid and offered rates for \$10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of
bid 13 11/18 offer 13 18/18	bid 14 11/16 offer 1415/18	Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty, Trust.

±1.5300 ±1.6412 ±1.1077 ±1.3733 ±1.5063 ±1.5688 ±4.7229

EURO-CURRENCY INTEREST RATES (Market closing Rates)

				•	_	· •				
Jan. 5	Sterling	U.S. Doller	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	italian Lira	Belgian Franc Convertible	Јаралезе Үе
Short term	163 ₆ -151 ₂ 15 ₁ 2-151 2 1524-1578	15 lg-15 lg 13 lg-15 lg 13 lg-15 lg 13 lg-15 lg 14 lg-14 lg 14 lg-14 lg	10-12 10-12 147g-151 ₄ 15-153 ₉ 15-163 ₆ 16-165 ₈	10-10 ¹ 4 10 ¹ 4 10 ¹ 2 10 ⁵ 8-10 ¹ 4 10 ¹ 8-10 ¹ 8 10 ¹ 4-10 ¹ 8	61g-7 414-454 818-816 878-9 878-9 818-818	1046-1012 1036-1012 1046-1048 1046-1048 1046-1048 1046-1018	15-151 ₂ 15-151 ₂ 15-155 ₈ 161 ₈ -17 177 ₈ -183 ₈ 181 ₈ -185 ₈	17-19 193-213 2113-225 2314-24 2416-245 2376-245	14-18 15-20 1912-2112 2012-2112 1914-2012 1712-19	5-514 512-512 613-614 613-613 634-618 634-618

SDR linked deposits: one month 12½-12½ per cent; three months 12½-12½ per cent; six months 13½-13½ per cent; one year 13½-13½ per cent.

ECU linked deposits: one-month 14-14½ per cent; three months 14½-14½ per cent; six months 14½-15 per cent; one year 14½-14½ per cent.

Asian S (closing rates in Singapore): one month 13½-13½ per cent; three months 13½-13½ per cent; six months 14½-14½ per cent; one year 14½-14½ per cent; one years 15½-15½ per cen

MONEY MARKETS

Revised shortage

was adjusted upwards twice bills in band during the day. The Bank gave 141 per cent. an early figure of -£100m, with bills maturing in official hands up to 144 per cent for secured call loans with later balances bills accounting for £150m and taken down to 10 per cent. In

The revised shortage of £150m was further amended, without taking into account the morning's help, to £250m and the Bank gave further help in the afternoon, making purchases of

market yesterday but the amount per cent and £20m of Treasury bills in band 4 (64-91 days) at

bills accounting for £150m and Exchequer transactions a further £100m. These were offset by a fall in the note circulation of £75m. The shortage was leter revised to £150m and the authorities gave assistance in the morning totalling £171m. This comprised purchases of £7m of Treasury bills in band 1 (up to 14 days) at 14½ per cent £13m of local authority bills at 14½ per cent before falling away to \$10 per cent. Late balances were taken up to 14 per cent. Period rates tended to ease slightly bills at 14½ per cent. In band 2 (15-33 days) it bought £101m of eligible bank bills at 14½-14½ per cent.

In the interbank market overnight money opened at 14½-14½ per cent. After the bank's initial help retes slipped to 14-14½ per cent before falling away to \$10 per cent. Late balances were taken up to 14 per cent. Period rates tended to ease slightly reflecting a favourable reaction to the latest set of UK banking figures.

In Brussels the Belgian cent before falling away to \$.10
per cent. Late balances were taken up to 14 per cent. Period rates tended to ease slightly reflecting a favourable reaction to the latest set of UK banking figures.

In Brussels the Belgian National Bank announced a further cut in short-term Treasury bill rates following as the second of th

Firmer

trend

Gold rose \$10 to \$405-406 in DM 28,800 (\$400.99) previously, the London bullion market yesterday. It opened at \$400½ and closed at \$403.404, compared with \$394½ 395½. Should be shown as fixed at \$400.75 in the morning and \$403.50 in the bar was fixed at the equivalent afternoon. The metal touched a low point of \$400-401, and a peak of \$400.50 per ounce, compared with \$399.90. In Zurich gold finished at \$402.405, against \$394.337.

In Frankfurt the 121 kilo bar was fixed at DM 29,210 per kilo (\$403.00 per ounce), against Gold rose \$10 to \$405.406 in DM 28,800 (\$400.99) previously.

afternoon.

was fixed at FFr 74,500 per kilo

(\$404.89 per ounce) in the afternoon, compared with FFr 74,500

(\$405.75) in the morning, and FFr 73,500 (\$404.00) Monday

Gold Buillon (fine punce) (£21114-81134) | \$395-396 (£208-2084a) | \$39912-40012 (£208.757) | \$399 (£210.408) | \$398 Opening ______\$4001240112 Morning fixing __\$400.75 Afternoon fixing \$403.50 Coins
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(£211154-11214)
(£257-5719)
(£2314-254)
(£21714-21736)
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(£50-6012)
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(£30414-20534)
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further cut in short-term Treasury bill rates following a similar move on Monday. The rates yesterday on one, two and interest rates have failen in so far been able to reduce domestic and the rates without putting pressure. three-month Treasury bills were all cut by half a percentage point recently following a softer on the Belgian franc within the to 15; per cent, 15; per cent and tendency in U.S. interest rates, European Monetary System.

419-145

10.141

NEW YORK **GERMANY** FRANCE Intervention rate 14.75

Overnight rate

IAPAN

MONEY RATES

LONDON MONEY RATES

Authority deposits Overnight..... 2 days notice 7 days or..... 7 days notice.. 14,7₈-151₈ 151₄ 14%.151 163g-16 164-157g 161g-1634 151g-151g 157g-151g 185g-1614 151g 151g 154 154

Local authorities and finance houses seven days' notice, others seven days fixed. Lodg-term local authority most rates nominally three years 15½ per cent+ four years 15½ per cent+ five years 15½ per cent. • Benk bill rates in the period of per cont.
Aproximate selling rate for one month Treasury bills 14-16-14's per cont. two months 14's per Aproximate sensing and the per cent. Aproximate selling rate for one month bank bills 14's per cent. Iwo months 14's per cent. Iwo months 14's per cent and three months 14's per cent one month trade bills 15's per cent two months 15's per cent three cant: and tares months 19-16-16-20 per cent; one month trade ones 10-2 per cent; and income 10-2 per cent.

Months 19-2 per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 16-2 per cent from January 5 clearing Bank Deposit Rates for sums at seven days' notice 12%-12-2 per cent. Clearing Bank Rates for leading cent. Transury Bills: Average tender rates of discount 14.7513 per cent.

How a coal trader became the fastest-growing UK company

By Carla Rapoport

SOMETHING IS happening in liabilities were greater than its Sheffield. In the heart of one assets. First, he said, the books of Britain's recession-hit waste-were straightened out, and then lands, a small company has been the main business attacked.

Over the coming year, the delivering coal door to door in small company will have all but the North. But by the early disappeared and in its place 1970s the group was concentrat-will be an international coal ing on three areas: oil storage :trader, producer and distributor and distribution; civil engineerwith sales of £125m a year and ing and building; and open-cast a substantial bank of coal re- mining. serves around the world.

Britain's newest entrant to the international energy sector is Burnett and Hallamshire, for some time the fastest-growing company in the country. The beginnings of the group's dizzying growth rate coincides with the promotion of Mr George Helsby to finance director in 1974. A short energetic man who shuns vegetables. Mr Helsby helped B & H kick through the crusty layers of more than five decades of family-style management.

The results are remarkable. The results are remarkable. Since Mr Helsby was appointed managing director in 1976, the company has increased turnover five times. Its pre-tax profits have recorded a seven-fold increase in the same period. Sales last year should have increased by about 25 percent and profits should have nearly doubled. Most of this prowth has come through has come through acquisition, much of it involv-ing share swaps rather than cash. But earnings per share have yet to suffer (see chart). Return on capital employed has ranged between 25 and 32 per-cent in the last five years, but the company has not been relying on its bankers, it took out its first major loan only a few months ago.

into his powder-blue Rolls a security analyst at James Royce. He's a joker, but there's Capel. But B & H has a very a hint of steel behind the smile. good record of delivering coal Mr Helsby is a elever man who has pieced together his coal in mining technology." empire with careful precision. In the past year alone, the group has allocated nearly £20m in cash and another £40m in equity for a string of acquisi-tion's Mr Helsby can reel off the details of each purchase without missing a beat.

Family company

keep the larger company on pened that we had to extract lm course? Can an open-cast miner based in Sheffield handle a properly," said Mr Helsby. The huge deep mining operation in group's various activities often South Africa?

questions he in Mr Helsby's track record to date: Now 40, Mr Helsby arrived at B and H's small headquarters in Sheffield cleaning up the shoreline and eight years ago. A Lancashire native, he had trained as an accountant and had previous in 1979, the group bought experience with Staveley Industries and Union Carbide.
At that point the company's

adding on sales and profits with Founded by two brothers in the speed of the wind.

Founded by two brothers in 1921; B and H had long been

" After formal examination of our assets and activities, it was decided that we were good at digging holes in the ground," said Mr Helsby. Construction activities were consolidated and B and H's subsidiary, Northern Strip Mining, began expanding the group's open-cast coal

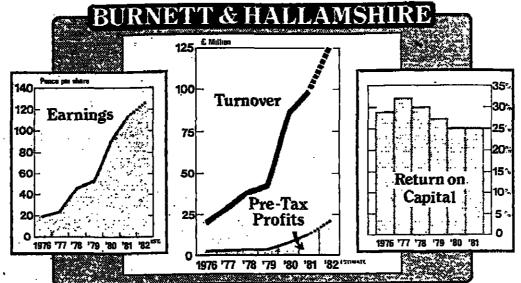
NSM developed a "nose" for sniffing out the small pockets of coal reserves which had been left behind by the National Coal Board as too small to exploit when the industry was nationalised. - Successful in obtaining licences for these pockets, B and H swiftly became the largest contractor to the NCB for open-cast mining in the UK. B & H continues to hold that ittle, supplying some 2m tonnes or about 13 per cent of the out-put of the NCB Opencast Executive. Considering the highly sensitive nature of coal mining in Britain, B & H is unlikely to increase its share of this market much further. However, its important position in this lucrative market is attributed to the group's highly professional mining operation.

Good record

"There's no doubt others are "Christmas? Cancel Christ miffed that B & H maintains mas, I don't have time for it," such a good share of this busi-said Mr Helsby, as he hopped ness." said Mr Melcolm Brown, and keeps up a high standard

Open-cast mining, unlike the underground business, is surprisingly profitable. According to NCB figures, open-cast opera-tions in the UK showed average profits of £8.43 a tonne while underground activities recorded a £1.27 loss a tonne and have not produced profitable figures for the past 10 years.

sur can the man who trens industrial preperty development formed the sleepy family come activities sometimes led it to pany with 250 employees into coal. "We were stabilising an international energy busi- some land for development in ness with a staff of 4,500 also the Midlands and it income keep the larger company. overlap — for example, one unit has a contract to dump coal dust and sludge some 10 miles out to sea. Another unit further south has a contract for ing group, which broadened the mining and construction activi-



ties of the group.
"Around that time, we "Around that time, we and both the west and east coast London called Brint Invest-realised that our growth in this of the U.S. In many cases, the ments, previously known as Hall country was limited," said Mr deal was chinched with a defer-Helsby, as coal remained regu-lated and construction activity the vendor received future prolated and construction activity was slowing down. Mincorp also fits of his group provided they

contained a small stake in Rand London, a South African deepmining group with a London and in several deals.

Johannesburg fisting, as well as The most an a few other overseas interests. Helsby's appetite was

The end-result has been a rapid-fire acquisition strategy registered in the Netherlands. Sometime before the deal, Mr Helsby's eyes fairly light a tempting morsel might catch tect of this companion which had taken B & H into called Anglo-International Min- B & H had sold its original stake up when Rand is mentioned. In the eye of an oil major in the share in its wealth.

the Philippines, Colombia, Chile ing, and another registered in reached a certain level. B & H also successfully used its shares

oeuvre to date has been last cent of Brint. Mr Jeremy year's acquisition of 51 per cent Pinckney, one of the founders of Rand London through two former shell companies, one also on all three boards.

ments, previously known as Hall Brothers Steamship Company.

share registers, of Brint, Rand London and Anglo contain some of the same names. Mr Alan Perguson, who appears on all three, owns about 25 per cent of The most ambitious man- Anglo and more than 50 per of Rand about five years ago, is

The stage was reset as follows: shareholder in Mincorp, became export. The group expects to

In the same month. Brint bought 28.7 per cent of Rand in a primarily paper deal with nearly 60 per cent of the shares coming from Temple Invest-ment, Mr Ferguson's Guernseybased investment company. In April. B & H bought 23.2 per cent of Brim and Mr Helsby joined the Brint board.

B & H made its move in October, offering its share for the entire share capital of Anglo. on the condition that Anglo should first pick up Brint's stake in Rand and thus hold 51 per cent of Rand. All these deals have since been approved. The transaction, which valued Anglo tonnes an hour from me at £29m, turned Mr Ferguson's sized bulk cargo vessels. stake in the unlisted Anglo into highly marketable shares, his 50 per cent stake in Brint provid-

Mr Helsby states that Mr Ferguson has "gone his own way" since leaving the B & H board in early 1980 and has no say in the

running of the company.

mines high quality coking coal haven't had one approach yet," Mr Ferguson, a short-lived and anthracite for the domestic some 25 per cent of the shares. tion expected in the next few Last January, Anglo acquired years should fuel this growth.
22.3 per cent of Rand. The group also has andulusite The group also has andulusite deposit and some gold and

diamond interests. Mr Helsby claimed he was looking forward to total group coal production of 6m tonnes within three years and perhaps 8m tonnes in five years. His recent UK acquisition, Rexce. brings coal-refining expertise to the group, which he said might be applied to the low-quality coal expected from the Philip-

pines project. Anglo and Rand had already begun working on a bulk handling facilities in Ghent which when completed next year will be able to load 1,000 tonnes an hour from medium-

"Small potatoes, really," said Mr Helsby when describing these international link-ups. "The majors are so much bigger ing another £5m worth of B & H and have access to much more resources than us." But in addition to nearly 1 bu tonnes of coal reserves, B & H will have an integrated coal business that mines it, buys it, moves it and sells it under one name. Such Mr Helsby's eyes fairly light a tempting morsel might catch

in Rand — "because we weren't addition to some 640m tonnes of future. "If we get the right ready then," said Mr Helsby. coal reserves, the group deep-offer, then it might happen. I

Meanwhile, coal is only part director of B & H who was a South African market and for of the B & H rocket. The company claims to be the largest a prime investor in Anglo, win higher export allocations distributor of middle distillates building up the largest stake of this year and increased productions in the UK, and works under contributions of the contribution of th tract with Total, Phillips and Gulf. It also retails petrol at franchised petrol stations under the brand name of UK in Lincolnshire. On the property side, Mr Helsby discovered California a few years ago and has sunk several million dollars into a few Los Angeles deals in partnership with a local

> Victorian headquarters in the centre of Sheffield of B & H is understandably frantic. Helsby claims to need little sleep and is known to greet his staff with the question: "Have we bought anything this morn-

As to his own stake in the company, he sold nearly 16,000 shares last year in readiness for a new share option scheme. "It just so happens." he said cheerfully, that the middle-market price for the scheme was determined in the week after Black Monday. As a result of this happy timing, some 40 executives are now eligible for share purchases during the life of the scheme at a price of 757p. It seems only fair that the archi-

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KEW	1			-DOW		i i	19	81	Since C	mpii't'n	-							
	Jan- 4	Dec.	Dec.	58 Dec.	Dec. 28	Dec. 24	High	Low		Low			Jan.	Jan.	Dec. 31	Dec.	198 High	1-82 Low
industr' is 'me Bnds.	882.52 56.93	٠,١	875.10 56,69	i 1	870,54 57,40	876.38 57.22	1024,08 (2714) 65,78	824_01 (25/8) 54.89	1051.70		AUSTRAL Ali Ord. (Matal &	LIA (1/1/80) Mines (1/1/80)	594.8 422.7	595,5 425,1	695,5 424,1	895,1 427,8	767.3 (8/4) 786,2 (7/1/81)	845,8 (28/10) 404,5 (20/11)
		· '	<i>378,44</i> 109,54	379,57 109,06		l - I	(15/1) 447.38 (16/4) 117,81	(1/10) 565,48 (25/8) 101,28	447.38 (16:4:81) 165.32	 - 12,25 (8,7,182) 10,6	AUSTRIA		56,22			67.13	68.43 (6/1/81)	55,84 (15/10)
radingVol			•	35,300			(5/1) —	(28/9)	(20/4/68)	(28/4/42)	BELGIUN Belgian :	A SE (81/12/68)	88,46	88,04	(c)	87.24	88,48 (6/1/82)	(fight) 23,83
l Day's high	887.3	ا 7, jov	v 871,	85.	٠ .		'		1	ı	DENMAR Copenha	K Igen SE (1/1/78)	118,55	178,64	(c)	118,77	123.5B (17/12)	35.88 (2/1/61)
Ind. e	iiv. yid	old %	F	Dec. 31 6,32	L 0	ec. 24 6,35	Dec.			(approx 59	FRANCE CAC Gen Ind Tend	ierai (28/12/61) lance (61/12/81)	(u) \$8,6	88,8 97,7	92,30 106,00	95,0	112,5 (17/5) 100,00 (51/12/61)	77,3 (15/5) 87,7 (4/1/82)
TANDARD	AND i	POORS	Dec	Dec.	Dec	Dec.	_ 19	81	Since (mpli't'n	GERMAN FAZ-Akti Commer	iY len (51/12/68) zbank(Dec 1953)	221,55 675,8	225,21 689,2	(a)	221,08 675,2	245.47 (5/7) 749.0 (5/7)	216.88 (9/2) \$85,4 (16/2)
indust'is	4	31	30	29	. 28	24		128,49 (24/9)		1.0W	HOLLANI ANP-CBS	D General (1879) Indust (1970)	85.0 83.7	84.7 66,2	(c) (c)	84.8 86.1	86.8 (29/6) 76,4 (22/8)	78,5 (28/9) 51,4 (22/12)
Composite	122.7	122,5				1	(6/1)	115,01 (24/9)	140,52 (28:11 80	(60/8/32) 4.402 (1/8/32	HONG K		<u> </u>	ļ				1115.27 (5/18)
nd. div. yie	id %		<u> </u>	ec. 31 5.35	-	c. 23 i,35	Dec. 5,3		98.F ago ((approx)	ITALY Banca C	omm Ita (1972)	189,66	195.60	184,81	190,45	292.03 (5/8)	188,44 (24/7)
nd. P/E Rat	lo		┪	_	. 8	.24	8.2	4	9,5		JAPAN**							 -
ong Gov. B	ond y	ękd		13.71	17	5.60	13,0	4	117	5 ·	Tokyo Na	rage (16/6/49) w SE (4/1/68)	571.64	77 18.84 672,68	(c) (a)	(c)	8019,14 (17/8) 805,92 (17/8)	8958,52 (15/8) 485,78 (5/1/81)
NY. S.E. A	TT CO	MMON						and Fa Jan. 4		Dec. 30	NORWAY Oslo SE (125,88	127,18	(c)	125,81	145,72 (6/8)	110,54 (8/8)
lan. Dec.	Dec.	Dec. 29	High	.981 Lov	_{ny} Ri	\$65	bebs	232	1,999	1,993 812	SINGAPO Straits T	RE imes (1856)	807,14	787,75	780,78	778,80	878,28 (26/6)	615,28 (1/3)
1.8071.11	70.90	70.58,	79_14 (8/1)	64.9 (25)	96 Ur 5) No	ow Low by High w Low	ed 18	601 343 9 10	605 455 18 25	668 513 9 35	SOUTH A Gold (195 Industria	6)	(u)	585.8 793.6	=	596.8 701,2	797,6 (7/1/81) 708,4 (21/18)	478,8 (8/7) 637.2 (6/2)
ONTREAL	ı		Jan.	Dec. 31	Dec.	Dec. 29			981	w	SPAIN Madrid S	E (60/12/81)	. 89, 17	(c)	(c)	100,00	189.86 (58/12/81)	99.17 (5/1/82)
	ndusti Sombli		552,79 316.88	532,58	832,67 816,27	551.55		(27/6)	818,21	(25/8) (25/8)		AP. (1/1/68)	627,22	621,16	(e)	812.94	686.51 (16/8)	404_17 (29/1/81)
TORONTO	Com	osite	1858,3	1,954.2	1,948,4	1955,8	2578.9	(10/4)	1812,46	(25/9)	SWITZER Swiss Bau	LAND nkCpn_(81/12/68)	260_1	259.6	258,50	259,9	884,2 (2/4)	242.9 (17/11)
				Chan		TYE ST	OCKS			Change	WORLD Capital I	nti. (1/1/70)	_	147,2	146,6	145,6	182,8 (6/1/61)	188.8 (28/9)
Menday, BM xxon tears Roebs thois Pows byladelphia		reded 727,800 536,500 578,400 484,600	58 ² 30 ² 15 ³ 20 ³	day +1 	ት Gi ት Ad ት Sc	m. Tel. ony pand. C	lest & Tel.	traded 417,20 377,50 365,90 362,70	0 17 ¹ 2 0 58 ¹ 2 0 17 ² 8 0 40 ² 8	day → → H →	Base 500; NYS lest new industrial u Unavall	values of all la E All Common sed based on Is plus 40 U	ndicas —50, 1975. Hilties,	ere 100	nancia d and dancia	Poorte bonds	c) TSE (c) ralia Ali Ordinar -10; and Todu 1 20 Transpor	y and Metals— nto—1,000; the atrials. § 400 ts. c Closed.

Early Wall St. fall of 9.8

H ECOMBINATION of a rise on news that James River is to the weekly U.S. money supply buy some of its operations for sures and bearish projections \$420m. James River was off 1 interest rates from Salomon others economist Henry number sent Wall Street

active dearings.

The Dow Jones Industrial Du Pont 1 to S371.

THE AMERICAN SE Market Value Index retreated 3.05 to Value 2.68m shares. n Index fell 84 cents to \$70.36. ale declines outpaced rises by five to two ratio. Trading ume swelled to 33.51m shares m Monday's 1 pm level of

imalysts said the unexpected of \$1.4bn in the closelytched M1-B measure of the ney supply fuelled concern it interest rates will not cline over the near-term.

dding to these worries were usman's projections that the ent downward trend in erest rates would probably erse before mid-year and that dollar amount in the weekly easury Bill auctions would rease substantially.

Larry Wachtel, of Bache coup, said investors are over-acting to the money supply cures and Kamman's projec-tors because the technical aderpinnings of the market are weak. He noted that Monday's weak. He noted that Monday's point gain in the DJ Average as due to strength in Blue Chipocks. Stocks setting new lows reeded those reaching new ghs on Monday and the Bell-ather DJ Transportation verage was lower.

Oil stocks, among the stronger Oil stocks, among the stronger

Oil stocks, among the Stronger oups during the last half of \$1, fell victim to selling. Hillips Petroleum lost \$1 to \$4. Tenneco 1 to \$21, Sun 21 \$90, Texas International 11 \$341, Cities Service 11 to \$431 and Superior 11 to \$35. Marathon Oil fell \$3 to \$79. obil has asked the Supreme nurt to block U.S. Steel's purase of Marathon stock. nerican Can dipped 14 to \$334

losing prices for North merica were not available for this edition.

at \$194. Among Blue Chips, volume others economist Henry Among Blue carps, to \$572, number of Wall Street leader IBM eased \$ to \$572, arrly lows yesterday morning active dealings.

The Dow Jones Industrial General Electric \$ to \$573 and 318.36. Volume 2.68m shares.

Canada

Most sectors showed a down-ward bias in moderate early trading. The Toronto Composite Index declined 19.2 to 1,837.1, Oil and Gas 45.8 to 3.667.9 and Golds 4.0 to 2,881.5. In Montreal, Banks fell 6.13 to 348.75.

Tokyo

The market was inclined to gain fresh ground initially, but subsequently declined to end mixed to lower on the day following a moderate business. Later sentiment was undermined by news of a U.S. dumping decision against Nippon Electric. The Nikkei-Dow Jones Average was just 0.50 up on the day at 7,719.34, while the Tokyo SE index lost 0.74 at 571.64 and falls finally outnumbered rises by 324

to 248 on the First Market.
Volume 240m shares (150m).
Brokers said some prices had been well ahead until news of the U.S. Commerce Department dumping decision hit the market and sent Nippon Electric and other Communications shares failing. The Commerce Department determined, for the first ment determined, for the first time, that a Japanese high-technology electronic product was being marketed in the U.S. Stock market investors were at an unfairly low price. Although dumping decision hit the market

| BELGIUM (continued)

[HOLLAND

day at Y826. A broker added that "the amount involved (in

water on the market.

Ploneer Electronic, Y1,720, and
TDK Electronic, Y3,590, finished
a net Y40 and Y30 weaker
respectively, while Victor fell
Y110 to Y2,740, but Sony held
a gain of Y40 at Y3,900.

Kyoto Ceramic drew feverich

theless stirred up widespread interest. At one time, Koyto Ceramic was Y100 higher but then eased to end the day with a Y40 gain at Y3,950. Toshiba Ceramic advanced Y51 to Y1,020

ceramic advanced Y51 to Y1,020 in sympathy.

Sheet Glass rose Y13 to Y385, Okuma Machinery Y25 to Y776, Kyowa Hakko Y14 to Y632, Yasukawa Electric Y9 to Y680 and Sumitomo Chemical Y8 to Y181, but Canon shed Y15 to Y925, Nissan Motor Y10 to Y825, Hitachi Shipbuilding Y7 to Y220 and Honda Motor Y9 to Y812.

Germany

The previous day's buying enthuslasm waned and stocks mostly retreated, with dealers

was being marketed in the U.S. at an unfairly low price. Aithough the decision is provisional and the U.S. International Trade Commission has to consider the charges, the reports out of Washington had a substantial impact on the Tokyo stock market, according to brokers.

Nippon Electronic, listed at the top in a private poli for this year's most promising shares, spurted ahead Y24 to Y834 on Monday and was widely expected in the U.S. Stock market investors were also deterred by a downturn on also deterred by a market after a good performance on Monday.

Prices of Public Authority but share prices of the partners in the Jackson No I oil were barely changed.

Johannesburg

The recovery in the Bullon price to above the \$400 level left Gold shares with a firmer bias after another light trade.

Among Heavyweights, Rand-fontein rose 150 cents to R74

AUSTRALIA

to continue to surge. However, the turnround in the Bond the strck ended V8 down yester-

Paris

the dumping dispute) wasn't that
big. but the news threw cold
water on the market.

Shares recovered most of the
ground lost on Monday when
operators liquidated positions

Kyoto Ceramic drew feverish investor attention, triggered by a nationally televised test on Monday night of its ceramic engine mounted on a car. Although it is generally expected to be four to five more years before commercial production of cars with ceramic engines becomes possible, the test nevertheless stirred up widespread

in sympathy with the overnight Wall Street improvement, and some institutional support was noted, but was mainly technical.
However, general market sentiment was mixed, and private speculators were generally adopt-

speculators were generally adopting a wait-and-see attitude.

HK Gas looked an exceptionally strong spot in Utilities with an advance of HK\$2.75 at HK\$32.25. China Gas put on 20 cents to HK\$13.20, but HK Telephone, which lost HK\$1.45 on Monday, was 30 cents lower at HK\$29.50.

Australia

Activity stayed at a low ebb with prices again closing narrowly mixed.

narrowly mixed.
Oils, however, continued to show a firmer bias, where changed. Beach Petroleum hardened 5 cents more to A\$1.70 on news that the Bass Strait well, Sperm Whale No. 1, had encountered hydrocarbons. Santos added 10 cents at A\$7.00, but share prices of efter

price to above the \$400 level left

IJAPAN (continued)

CARADA			1				-			Price	+ 07		Price	+ or
Stock	Jan. 4	91 31	Jan5	Price Fra-	+0	Jan. 5	Price	+ 07	Jan. 5	Aust.		Jan. 5	Yen	ļ - -
MCA Inti	231g	201g	Petrofina	4,600		ACF Holding	71.5		ANZ Group Acrow Aust	1 7 AUN 1		Kubota Kumgaal Kyoto Ceramic	393	4-3
bitibignico Eagle	2014	201g 642			+150 +5	AholdAKZO,	1 22.5		Ampol Pet Assoc. Pulp Pap . Audimco	1.73	+0.03	Kyoto Ceramic	399	+40
Jean Alumin Igoma Steel	271 ₂ 45	273g 45	Soc. Gen. Baige	1,076	+46	ABN AMEV	282	<u>0.7</u>			·*\	Maeda Cons	520 876	175
sbestos	1934	197g	SofineSolvayTracton Elect	2,070	+35	AMRO	68.0	-0.4	Aust Cons. Ind Aust Guarant	2,50	-0.02	Marubeni	340	ķ
k. Montreal k. Nova Scotia.	24 4 275	241g 2814				Bredero Cert Boss Kalis	187 59,6	+2	Aust. Nat. Inds Aust. Paper	. 3.15		Marudai ,	940	⊬8 –10
asic Resources		4,40	Union Miniere	594	+28	Boss Kalis Buhrmann-Tet Caland Hidgs	36.5 33.7		Bank N\$W	3.05	+0.05	Matsushita	1,200	10
ieli Ganada low Valley	19 l _e . 19 5e	194 194	VIOLIG MOTES			Elsevier NDU	120	+1	Bive Metal Bond Hidgs	2.70	T (4,144)	M'bishi Bank M'bishi Corp	487 633	1
P Canada	325g 245g	3314 238g	DENMARK			Ennia Euro Comm Tst		+1	Boral	3.25 1.22	-0,05	M'bishi Elect M'bishiRi East	320	-2 -5
rinco	5,87	00,8	Jan. 5	Price	+ or	Gist, Brocades Heineken	61,6		Bi ville Copper Brambles Inds Bridge Oil	2.58 4.55	0.02			13
Linc.	127g 331 ₂	1234 324		2 1		Hoogovens	15.7	+0.1	[BHP	10,45	+0.05	Mitaui Co	356	· -3
adiilacFairview amfic Mines		14 191 ₂	Andelsbanken Baltica Skand	129 356	<u></u>	Hunter Douglas int-Muller	19.1	-0.7	Brunswick Oll	2.80°	+0,01	Mitau RI Est Mitau-koshi	417	+2
en Cement	1112	1 11 Bg	CopHandelsbank	137		KLM Naarde's	J 26.3	+0.8	CSR	4,0	+0.92	NGK Insulators Nippon Denso	548 1,040	+21 +10
en N W Lands	3419	35	D. Sukkerfab+ Danske Bank	335.4 137		Nat Ned cart Ned Cred Sank	109.3	+0.3	Castlemaine Tys.	3,8	*******	Nippon Gakki Nippon Meat	700 411	15 1+6
an Packers an Trusco	29	331 ₂ 29	East Aslatic Forende Berygg.	141.2 517	-4	Ned Mid Bank	130	_7 +2	Cluff Oil (Aust) Do. Opts Cockburn Cemt.	0.45	********	Nippon Off	11.010	-20 -19
an Imp Bank an Pacific	29 lg 415e	99 417a	Forenede Damp.	386.4		Ned Lloyd Oce Grinten	6B.7	+0.1	Coles (G.J)	I 22.50 I	+0,81	Nippon Shinpan Nippon Steel	170	<u>}</u> _1
an P. Ent an Tìre	1824	1858 33	GNT Hidg Jyake Bank	185	+1 	Ommeren (Van) Pakhoed	29	+0,1	Container	1,62	C.05	Michan Suissin	1 272 1	-3 -100
hieftain		8834	Nord Kabel Novo Ind	155		Phillips Rijn-Schelds	20.5	+0.1	I Costoin	ו אח ו		NTVNissa Motor	885	-10
:	554	5534	l Pabirfabrikker	91	*******	Rijn-Schelde Robeco	32.5 222.5	+0.5 +1.9	Crusader Oil Dunlop	6,5 1,06	+0,1	Nisshin Steel	168	14
ont Bk. Canada	84	151 ₈ :	Privatbanken Provinsbanken	130		RodamcoRolinco	1184	+0.2	Elder Smith G M Endeavour Res		0,05	Normura	590 317	1
ostain Daon Devel	10 5.12	10 5.12	Smìdth (FI) S. Berendsen	251.2 465	-1	Rorento	135.4	-0,9	Gen Pro Trust	1,82	+0.02	Olympus	1,060	
enison Mines	321g	324 184	Superfos	139.2	+0.2	Royal Dutch Slavenburg's	72	_0.2 _0.1	Hartogen Energy Hooker	1 145	¥0.01	NisahinFlour Nisahin Steel Normura NYK Olympus Oriest Pioneer	1,720	40
						Tokyo Pac Hg	228 148.7	-0.5	t iCl Aust	11.881	0.02 0.02	Renown Ricoh Sanyo Elect Sapporo Sekisui Prefab	800 635	422 43
ome Petroleum Om Foundries A	41	15 403 ₄	FRANCE			l Viking Res	140	+1	Jennings Jimb'iana(SOcFP	0,50 1,70		Sanyo Elect	475 856	9
om Stores Omtar	164 22	.164 2178	Jan. 5	Price	-} or	Vmf Stork VNU	, 40,7	-2.5	Jones (D) Kia Ora Gold	1 67.74	+0.01	Sekisui Prefab	781	-14
alcon Nickel		74 23a		Frs.	, - ,	Volket-Stevin West Utr Bank	28.3 68,8		Leonard Oil	(0.44)	-0.02	. O 190. F M	1 000 1	-10 -14
tWest Life	243	241	Emprunt 44% 1976	1,979	+7				Meekatharra Ms Meridian Oll	6.3	-	Shisiedo Sony Stanley	3,900 381	1-40 1
oulf Canada Bulfstream Res	6,00	181 <u>a</u> 6,00	Emprunt 7% 1975 CNE 5%	2 820	+5				Monarch Pet	, 0,16	+0.03	S'tomo Marine	300	15
lawk Sid, Сал	1212	1212	Air Liquide Aquitaine	454	+15 +5.6	ITALY.			Myer Emp Nat. Bank	1.6 2.86	+0,01	Stanley S'tomo Marine Taihel Dengyo Taisei Corp Taisei Pharm	263	-2
lollinger Argus		303 ₄	AU Printemps ,	1110	+3	Jan. 5	Price	+ or	News	194	+0.04	Takeda	1,000	10
ludson Bay Mng ludson's Bay	207s	21	BICBanq' Rothschild	397 208	+9 -1.9		Lire	<u>-</u>	Nicholes Int North Bkn Hill	2.65	70.04	TDK	3,590 252	-30 -7
do. Oli & Gas	511g 107g	50% 10%	Bouygues BSN Gervals	1,010	+69	Assicur Gen			Oakbridge Otter Expel	2.07 1.15	+0.02		803 (-44
rusky Oil masco mp Oil A	4112	48 251 ₂	2 Carrefour	1575	+21	Banca Com'le Bastogi Fin	745,500 34,500	-2,758 200	Pancon Pan Pacific	1 O KE 1	TO 09	TB\$ Tokio Marine Tokyo Elect,Pwr. Tokyo Sas	475 515	-5
ndal	1.1.08	171 ₈ 145 ₄	Club Mediter CFAO	553	+16	Centrale	246 5 590	0	Pioneer Go Queen Marg't G.	1.78	-0.02	Tokyo Elect,Pwr.	941	11
nter. Pipe	1434	15	CSF(Thomson)	351	+1 +3.4	Asscur Gan Banca Com'le Bastogi Fin Centrale. Credito Varesino Fiat Finsider.	8,170	-229	Reckitt & Coin	1 2 40 1	0.01	Tokyo Gas Tokyo Sanyo Tokyu Corp Toshiba TOTO Togo Seikan Toyota Motor Victor Waccal Yamaha Yamazaki	461	4 8 1
Azc Bloedel	254	25	Cie Bancaire	162	+2	invest	29	-2	Santos Sielgh (HC) Southland M'n'g,	7.0	40.1	Toshiba	379	
Aarks & Spencer Aassey Ferg		2.05	Cle Gen Eaux Cofimeg		+12	Italicementi Italider.	36,700	75 400	Southland M'n'g, Spargos Expel	: 0.5 / 1 0.37 1	**********	Toro Seikan	430 414	5
fointyre Mines ferland Explor	42	42 104	GCF	155 50.1	+2 +0.5	Montedison	120 160.25	+ 1.25	Thos. Natwide.	1 9 5 N I	0.02	Toyota Motor	1,020	1110
Altei Corp	29 -	28	CFP	117	+5	Perelli Co	2,465 9 351	+40	Tooth	2,25 2,10	+0.05	Wacoal	756	39
Acore Corp at. Sea Prods A	712	391g	GGF Creusot Loire CFP DNEL Dumez GanOccidental.	1,282	+14	Snia Viscos	1,249	46	Valient Consdt	0.18 0.85	*******	Yamazaki Yasuda Fire	600	-1
loranda Mines	22%	224	imetal	76,8	+0.2 +0.8	Italsider. Montedison Olivetti Pereili Co Pirelli Spa Snia Viscos do. do. Pri Toro Assic do. Pref	19,300	800	Waitons	4,10 1,25	-0,01	Yatuda Fire Yokogawa Boge	518 580	110
thn, Telecom	57	68	Larlarge	282	+2.1	do. Pref	15,450	-440	Woolworths	1.79 }	***************************************	-	ــــــــــــــــــــــــــــــــــــــ	
Dakwood Pet Pacific Copper	184 2.08	171 <u>a</u> 2,05	L'Oreal Legrand Machines Bull	720 1,410				 -	Wormald Intl	8,90	-0.06	SINGAPORE		1
an can Petrol	694 184	691 ₂ 181 ₂	i Maira	1,215	+8.6	NORWAY		i	HONG KONG			Jan. 5	Price	+ 07
ecer Dev	153 ₄ 155 ₈	15 àg 16	Michelin B Most-Hannesey .	630 550	+17		I_ I							<u> </u>
uebec Strgn	3.10	3,10	Moulinex			Jan. 5	Price Kroner	+ 01	Jan. 5	Price	+ or	Boustead Bhd Cold Storage	2.89 4.4	10,0
Ranger Oll	9åg	938	Paribas Pechiney Pernod Ricard	205 98	+3 —1	Bergena Baks	110.5	-0.5	Ob	H.K.S		DB5	8,5	+0.1
Reed Stenha A Lio Algom	115g 405 ₄	1158 41	Pernod Ricard	148.5	+7.5 +1	Borregaard Creditbank	127.5	-0,5	Chaung Kong Cosmo Prop	21,2	+0.8	Fraser & Neave Haw Par	6.40 3.64	.+0.45
toyal Bank Toyal Trustco A.,	27	267a	Perrier	172,5 187,5	÷7,7	1 Elkem	1 49 I	+3 +1	Cross Harbour	10.3 125	+2	incheape Bhd Majay Banking	2.21 7.45	-0.65 -0.65
ceptre Res	13	13	Poclain Radiotech Redoute	194 770	+5	Kosmos Norak Hydro	405		HK Electric HK Kowloon Wh.	5.3 5,4	+0.1	Malay Brew	4,70	0.5
heil can Oil	191g	6878 194	Rhone-Poulenc		+10 -1.5	Storebrand	235		HK Land	9.25	+0.18	Sime Darby	2,91	TÖSÖ
Steel of Can A	311g	8114	Roussel-Uclaf St.Gobain	219,9 147	+4.9				HK Shanghi Bk HK Telephone	14.5 29.5	+0.1	UOB	4.48	-0.05
eck B	11	11	i 3kis Rossianaii	477	+3	SWEDEN		1	Hutchison Wps Jardine Math	17.3 19.5	+0.5 +0.2	SOUTH AFRIC		
exaco Canada homson News A	251g	36 231 ₈	Suez Telemech Elect.	322 877	+3		1	_	New World Dev.	. 5.00 I	+0.06		A	1 =
ronto Dom Bk. Franscan Pipe	24	31 ³ 4 244	Thomson Brandt Valeo	242,5	+0.5	Jan. 5	Price Kronor	+ or	SHK Props	8,7	-0.1 +0.2		Price Rand	+ or
rans Mntn. Oli A Itd. Sisco Mines	65g	104 656 2314	GERMANY			AGA	882	+2	Wheel'k Mard A. Wheel'k Mariti'e	6.6	·+0.1	Abercom	<u> </u>	
Valker (H) Res Vestcoat Trans	234	2314 1314			ا ا	Alfa-Laval	210	+5 +2	World int. Hidgs	2,50		AE & CI.,	9.9	10.95
Veston (Gec)	36	3615	Jan. 5	Price Dm.	+ or	Astra Atlas Copoc	366 ·l	+6	1.5			Angle Am Gold	16,3 105	0.2 3
			AEG-Telef	45.4	-1.5	Boliden	230	+2 +4	JAPAN		- 1	Anglo Am Prop Barlow Rand	3.25 10.65	. TG.96
			Allianz Vers BASF	430 134	—1.8	Colluiosa Electrolux B	I 95 I	+0,5		1	. 1	Buffele	45 7.25	+0.25
			t BAYER	114.9	-0.9	Ericsson Esseite(Free)	220		Jan 5	Price Yen	+ or	Currie Finance	2.9	-0.
			Bayer-Hypo Bayer-Verein	185 272	—5 —1.5	Fagersta		+8	Ajmomoto	904	급.	De Beers	8.58	+0.66

197.5 191.5 208.5 285.7 240.5 174.7 152.5 183.5 185.5

D'sche Babcock. Deutsche Bank... DU Schult.... Dresdner Bank... GHH....

Price Frs.

1,014 3,800 1,450 1,290 145 1,880 4,006 8,000 2,200 1,220 1,530 2,580 1,400 4,500

+60 +4 +30 +155 -6 +20 +20 +10 +10 +40

BELGIUM/LUXEMBOURG

saad-skania sandvik(Free) skandia skan Enakiida skf B. sk Kopparberg sven Handelsbn swedish Match. Volvo(Free)

Alusuisse
Brown Boveri...
Glba-Gelgy
do (Part Certs)...
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Elektrowatt...
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Interfood
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Pirelli
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-25 +4 -3 +5 +6 +6 -70 +8

10.5

+6 +10

+5 -30 -10 +10 -20 +20 +9 +4

+5 +4 +5 +4 +2 +2 +10 +11

مكنا من المعمل

Speculators fuel cocoa market upturn

BY RICHARD MOONEY

coup in Ghana accelerated bought directly from producing yesterday with the May position countries by January 22. on the London futures market At one stage May cocoa gaining £32,50 to £1,207 a reached £1,202 a tonne but tonne. The price has now risen origin selling was encouraged at £75.50 since the New Year's Eve coup reaching the highest level for more than two months.

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AND A STATE

London dealers said yester day's rise reflected "follow late trading through " trading from the overnight rise in New York where Reufer in Abidian, Ivory Coast, chart and computer buying was broadcast a speech by Pro- failure to get much of its cocoa noted. The upward impact was visional exaggerated by speculators covering against earlier "short" sales, they added.

Further upward influences PNDC will be to see to the shipping cocoa world prices included buffer stock purchases evacuation of all locked up could be put under further by the International Cocoaby the International Cocoa cocoa and coffee and foodstuffs pressure making the ICCO's job Organisation (ICCO) on Mon- in the rural areas."

of supporting the market still day of 3,600 tonnes. This took

THE UPTURN in world cocoa the stock to 67,945 tonnes and ment that is the responsibility prices prompted by the recent another 31,400 tonnes is to be of the whole country."

reached £1,202 a tonne but origin selling was encouraged at this level, notably from the Ivory Coast, and with some speculators taking their profits the rise was trimmed back in

Accra Radio, monitored by visional National Defence to the ports has been one of the Council (PNDC) leader Flt-Lt few "bullish" influences on the Further upward influences PNDC will be to see to the He added, "this is an assign- more difficult.

The Chana Cocoa Marketing Board said yesterday it purchased a total of 53,626 tonnes of cocoa beans in the third, fourth and fifth weeks of the 1981 main crop season ended December 17. That brought cumulative purchases for the season to 115,683 tonnes.

With a fifth successive world cocoa production surplus in prospect and stocks standing at a historically high level, Ghana's Jerry Rawlings in which he said market. If the new regime is an immediate task of the more successful than the last in of supporting the market still

Rise in farm land prices

By Our Commodities Staff

ENGLISH FARM land prices turned higher towards the end of last year, according to figures published by the of Agriculture Ministry yesterday.

The average price for reported sales totalling 10,300 hectares in the September-November period was £4,251 a hectare, up from £4.027 in the August-October quarter and the highest level since June 1980.

The weighted price, which group composition of the sample, was up £94 to £4,084 a hectare while the land price lodex rose from 205 to 210 (1973-100).

New tomato variety aids island's crop

By Our Own Correspondent

PRODUCTION OF tomators In Guernsey this year is not expected to drop drastically even though the area of glasshouses used for the crop is being reduced from the 1981 figure of 420 acres to 330 aeres. This is due to a massive swing by local growers to the new high-yielding Dawn (E4884) variety.

The results of a census announced yesterday by the island's horticultural committee show that the Dawn variety will account this year for 88 per cent of the area under tomato cultivation.

The committee says that, hecause of the increased productivity of this new variety and the larger area of modern glass, the crop in the coming year could be as high as 5.7m six-kilo trays compared with 6.5m trays in 1981.

Last year's figure represented an average of nearly 93 tonnes of fruit per acce, but many growers using the Dawn variety topped 130 tonnes per acre and some

The horticultural committee says it is hoped that more island growers will achieve the 130 tonne level this year.

U.S. GRAIN SALES

The consequences of getting tough

BY NANCY DUNNE IN WASHINGTON

tary of Agriculture, is still efforts, so there will be supply," price, grain moves out faster." pitching more grain to the Russians.

week, Mr Block denied that the on Russian, American and straight month averaged below suspension of U.S. Soviet negothing party ships, one-third year-earlier levels, according to tiations for a long-term grain each, will cause further diff. Department of Agriculture agreement and the expiry of the culties. Without a maritime statistics. For the first time in U.S.-Soviet maritime agreement agreement, the longshoremen nearly half a century the last Thursday will have an may refuse to load Soviet ships, monthly farm price index did effect on the grain trade and the Russians may be dis-not rise at all last year. hetween the two superpowers.

The moves were announced ships,

The moves were announced ships,

The U.S. has offered the by President Reagan last Tuesday, along with five other Soviets 23m tonnes of grains in economic sanctions in retalia- the year beginning October 1 tion for what he said was 1981. As of December 17, the the Kremlin's "direct res- Soviet Union had bought 10.9m ponsibility" for the imposition tonnes, costing about \$1.5bn, of martial law in Poland.

Block said, "but a long term business, agreement is not essential. We One la want to sell grain to the Soviets, dealer in Washington said: We hope they'll buy more." professed optimism, farm asso- now unless we see the colour ciations and grains traders are of their money first." saying that the President's Worries about foreign grain actions will create a de facto sales are growing just when purchases.

increasingly pressed to diversify caused widespread pronounceits sources of supply," says Miss ments of a farm depression.

Margie Williams, of the "For the moment, agricult

The expiry of the maritime agreement under which grain raw products fell 3.1 per cent In an interview here last sold to the Soviets was carried in December, and for the fifth couraged from sending in their

martial law in Poland, but uncertainties about the "The simosphere is not possibility of a total trade very good to hold talks," Mr embargo may hinder future

One large international grain We're very cautious about In spite of the secretary's doing business with anybody

embargo of Soviet agricultural American farmers can afford them least. Huge harvests, high The Soviet Union is being interest rates and inflation have

WHILE FEARS are intensifying National Association of Wheat is in a depressed mode," said to at least \$4 per bushel because here of a de jacto U.S. embargo Growers, "Our allies have Secretary Mr Block, "Right farmers "stand to suffer greatly on grain sales to the Soviet indicated that they will not consumptive are low, but tradi-Union, Mr John Block, Secres operate with the President's tionally, if you have a low applied to the USSR while other Prices paid to farmers for and trade relations with the Soviets."

power has sunk to its lowest level since 1932. USDA economists are saying that net farm income could fall another \$1bn to \$3bn in 1982.

Mr Block has offered little hope for government relief beyond the comparatively skimpy Farm Bill, which barely passed congress last month. Under the new measure, a loan price floor of \$3.55 per bushel has been set for wheat and \$2.55 has been set as the maire price floor. In December wheat averaged \$3.65 a bushel (and was still falling) compared to \$4.22 last year at this time, and maize plummeted to \$2.27 bushel, 92 cents below its December 1981 level

The National Association of "For the moment, agriculture an increase in the wheat loan

nations continue their economic

Since taking office, Mr Block has made efforts to promote foreign grain sales and to convince the EEC to discontinue export subsidies of agricultural products.

"We have been trying to make Even worse, the index understand that we are serious," tinue discussions with the EEC, he is also looking at a range of retaliatory options, including American export subsidies.

Mr Block expressed great frustration about the huge American agricultural surplus at a time when there is hunger elsewhere in the world. "But who's going to get it to them? Who's going to pay for it? The American farmer has to be paid."

He said the Far East holds the greatest potential for U.S. agricultural exports. don't pretend to believe these markets are going to explode.

"I have a great amount of concern about what the future holds," he said. "We'll have Wheat Crowers is demanding to live through uncertain

Tara mine move boosts lead/zinc

BY ROY HODSON

BOTH lead and zine gained ground in London trading yes. Exchange zinc finished at terday as markets reacted to the decision by Tara Mines to put the Navan lead-zinc mine at 2300 a tonne 101 cast trates shipments on July 6 1981 in the Irish Republic in a care— up.

European reaction to the after the craft-men walked out and forced the company to lay

After a six-month close down nitely was summed up by Presbecause of a strike by the sag and Metallgesellschaft, the craftsmen at the mine. the commain West German zine propany's latest pay offer was ducers. Both companies said man producers to be offering the rejected yesterday by the work- last night they did not expect metal at price levels slightly force. Tara is an important sup- to encounter more than small below the producer price. The plier of lead and zinc concen- direct problems as a result of zinc market is likely to remain trates to European smelters; the decision. However, there But in the present depressed could be some indirect prob- The United States market is no state of the metals market there lengs affecting the European longer strong enough to have

KUALA LUMPUR-The Kuala the same.

of £7 on the day. Lead finished

being out of production indefitrate prices could rise because ing.

Exchange questions tin company

the London Metal of increased demand from smelters whih have been using Tara supplies.

Tara Mines declared force off the miners.

Zinc is still sufficiently plentiful in Europe during a period of poor demand for some Germetal at price levels slightly quiet for some months to come. is no urgent need for the Tara metals industries. Spot concen- an impact upon European trad-

It also referred to a Reuter report of December 30 1981 has asked the listed tin mining cerned, its appearance has which quoted informed industry sources as saving Maminco was not a subsidiary of MMC.

"What Manunco is and what it does no one really knows," the Star article said. It added however that it is known Maminco has made sub-

15.50. Afternoon: Three months £515.00, 12.00. Kerb: Three, months £511.00, 10.00, 11.00. Turnover: 12,500 tonnes.

KICKEL s.m. + or p.m. + or Unotticial -

Silver was fixed 7.9p an ounce higher for spot delivery in the London bullion market yesterday at 425.4p. U.S. cent equivalents of the fixing levels were: spot 815.5c, up 9.3c; three-month 842.6c, up 8.9c; six-month 878.7c, up 11.4c; and 12-month 938.2c, up 11.3. The metal opened 423-427p (815-820c) and closed at 436-440p (836-841c).

SILVER

recorded 160 tounes. stantial purchases on the London Metal Exchange since

EEC farm policy changes urged

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

SHOULD BRITAIN leave the demand became equal. The would have to ask the Treasury | EEC cereal prices into line with prices and production as they held good. Cereals had done the message delivered by EEC and prices had risen much Christopher Tugendhat, Vice-President of the EEC Commissions stock products. sion at the Oxford farming conference yesterday. He thought that in this instance the response would be very unsatiscompetition from their former

ceeding demand. attempt was the co-responsibility levy on milk and this must round national aids could be continue until supply and eliminated.

EEC, a Minister of Agriculture Commission's aim of bringing for £2,000m a year to maintain those on the world markets still are in Britain today. This was well since Britain joined the Although the rate of increas-

ing expenditure on agriculture had been falling due to higher factory to farmers and in addi- world prices it still took up too tion the British food market much of the Community's total would be subject to subsidised budget. He discounted the fears expressed by British farmers about the national aids enjoyed Nevertheless, Mr Tugendhat by farmers in other countries said that EEC expenditure must by saying that all countries be controlled. Output was ex- accused the others of the same The first crime. He hoped that with a common sense approach all

This theme was taken up by particularly hadly affected. David Evans, chief economic Mr Nicholas Horsley, chairvarious social headings. If this trend continued, it would destroy completely the philo-

prices up to a certain limit and that support would then be reason of the smaller contribu- factured products than anyone tion of farmers to the CDP be at present even dreamed about.

adviser to the NFU. He man of Northern Foods insisted deplored the proliferation of that the Treaty of Rome was national aids, particularly by out of date. It had been the French, who were disguising negotiated he said in a context their latest package under of shortage and starvation and not of perpetually increasing production. Either the CAP sophy of free competition abandoned. He instanced the Rome. futility of increasing the production of things like butter, He did not think that the sugar, eggs, and bread while Community should only support consumption of these items was actually falling. In fact he said the only items of increasing given by individual govern- consumption were alcoholic ments. This would favour the liquors. He thought that the richer countries and make future market would be much farmers in the poorer ones less more in the direction of well off. Britain would by convenience foods and manu-

BRITISH COMMODITY MARKETS

London market could be one and of association.

Lumpur Stock Exchange (KLSE) As far as Mamineo is con-

group Malaysia Mining Corpora- created more questions than

tion (MMC) to comment imme- answers," the article said, add-

diately on a local press article ing that possibly the KLSE

referring to MMC's alleged links could clear up the mystery.
with a recently established The article quoted an earlier private company called Maminco. agency report that Maminco.
The article, which appeared was set up last June by MMC's

yesterday in the local daily The chief executive, Abdul Rahim Star, asked among other things. Aki, and two other directors

whether Maminco and the with a nominal capital of 200m

influential tin buyer on the ringgit according to the articles

BASE METALS

months £371.00, 72.00, 72.50. Kerb:
Three: months £373.00, 72.50, 72.00.
Attamoon: Three months £372.00, 72.00, 72.00.
Attamoon: Three months £372.00, 72.00, 72.00.
Attamoon: Three months £372.00, 72.00, 72.00, 72.00, 70.50. Kerb:
Three: months £373.00, 72.00, 72.50. To.00.
Attamoon: Three months £372.00, 72.00, 72.50.
Three: months £371.00, 72.00, 72.50. Kerb:
Three: months £371.00, 72.00, 72.50. Kerb:
Three: months £373.00, 72.00, 72.50. Kerb:
Three: months £373.00, 72.50. To.00.
Attamoon: Three months £373.00, 72.00, 72.50.
Three: months £373.00, 72.50. To.00.
Three: months £373.00, 72.50.
Three: months £373.00, 72.00.
Three: months £373.00.
Three: months £373.00.
Three: months £373.00.
Three: months £3 afternoon to close at £880, after £875. stiernoon to close at 1880, ster 85/5, following sizesble American and local stop-loss selling. Zinc rose to £478.5 on the consulting strike at Take Mines, but snoounsered heavy profit-taking to close at £468.5. Lead was finelly £369, Aluminium £811.5 and Nickel £2,942.5. Tin closed at £7.875 three months with large emounts of cash material being traded.

858.9 -1.5 855.7 +6 886.7 -1 883.4 42.5 858 -2 77.82 Amaignmated Matel Trading reported that in the morning cash wirebara traded at £859.50, 81:00, 61.50, 62.00,

three months higher grade (890.00, 89.00, 89.50, 90.00, 90.50, 91.00, 91.50; 89.00, 89.50, 90.00, 90.50, 91.00, 91.50, 92.00, 91.00. Cathodes, three months. 2886.00. — Kerb: Higher grade. Three months £881.00, 92.00, 91.50. Afternoon: Higher grade, cash £858.00, 53.00; three months £932.00, 91.50, 90.00, 89.00, 83.00, 87.00. Kerb: Higher grade, three months £868.00, 85.0

TIN Official - Unofficial -High Grade E E E 4 Cash 8300.1 -25,5 8300.1 -14,5 3 months 7870.80 -47,5 7880.90 +18 Settlem't 8301 -28 Standard Cash 8300 -24,5 8300-1 -14,5 3 months; 7870-80-47,5 7880-90 +10 Straite E. 2834,10 -9,18 -

onths £7,870, 80, 85.

ZINC Official - Unofficial -Zims-Morning: Cash £456.00, three months £468.00, 69.00, 70.00, 69.50.

Kerb: Three months £469.00. Afternoon: Thise months £470.00. 69:00, 68:00, 67:50. Kerb: Three months £466.00. 55:00. 66:00. Turnover: 12:300 tonnes. a.m. + or p.m. + or Official — Unofficial —

Spot 589-90 -25 587-8 +1 3 months 614-5 -1,25611,5-2,5 +,5 Aluminium Morning: Three months £812.00, 13:00, 12.00, 13.00, 14.00

Kerb: Three months £614.00, 15.00,

Spot _____ 2865-70 +32.5 2870-80 +50 5 months 2940-5 +40 2940-5 +6.75 Nickel—Morning: Cash £2.865, 70, three months £2.920, 35, 40, 45, 40. Karb: Three months £2.950, 45, 40, 35, 36, 30, 40, 45, 42. Kerb: Three months £2.950, 45, 40, 35, 36, 30, 40, 45, 42. Kerb: Three months £2.925, 40, 50. Turmover: 844 tonnes. † On previous unofficial close.

* Cents per pound. ‡ M\$ per kllo. The market opened about \$2.00 lower but the strength of the physical price caused a rally to the liights. Heavy U.S. commission house selling fuiled to push the market down, reports Premier Man.

Month Yesterdys + or Business Done I SU.S. Turnover: 1,440 (1,291) lots of 100

GRAINS

SILVER Buillon + or L.M.E. + or fixing - unofficit Spot425.40p +7.5 453.5p +15.0 3 months 441.50p +8.0 449.1p +14.4 6 months 459.50p +8.5 - 18months 492.40p +8.4 - IMB—Tumover 55 (150) lots of 10,000 ouncas. Morning: Three months 441.5, 42.0, 41.5, 42.5, 43.0, 42.5. Kerb: three months 442.5. Attensoon: three months 454.5, 54.0, 54.5, 48.5, 50.0. Kerb:

WHEAT

Futures opened £20 higher as dua sgainst New York's close and then steaded further as fresh commission house and chartist buying caused prices to move limit-up. Trade hedging of modest producer sales caused values to close off the highs, reports Gill and Duffus. Yes'rday's + or Business Close - Done 1212-14 +44.5 1216-82 1206-08 +33,5 1212-83 1212-15 +30.0 1219-91 1212-15 +30.0 1219-91 1225-26 +35.5 1230-03 1240-44 +35.5 1245-14 1245-54 +35.5 1248-47 1250-82 +35.0 March.....

months 448.00.

Sales: 4.326 (1,499) lots of 10 tonnes. ICCO—Daily pnce lob Jan 5: 101.50 (98.92). Indicator price for Jan 6: 97.23 (95.87). U.S. cents per gound. COFFEE

A firm close in New York and weaker Sterling failed to have any significant impact on a disappointing opening, reports Drexel Burnham Lambert. Values remained fixed in a narrow range for most of the day.

Yesterday's
Close + or Business
Done 1154-56 +4.0 1161-51 1147-48 +4.0 1152-45 1125-26 +4.0 1132-25 1118-20 +3.5 1126-18 1113-16 +6.0 1120-13 1111-13 +8.0 1103 1104-15 +5.5 Sales: 2,266 (1,340) lots of 5 tonnes. ICO indicator prices for January 4 (U.S. cents per pound): Comp. Daily 125.19 (124,03); 15-day average 123,14

WOOL FUTURES

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kg. March 496.0, 499.0, untraded: May 505.0, 508.0, untraded; July 515.0, 517.0, 517.0-516.0; Oct 513.0, 515.0, 515.0; Dec 518.0, 549.5, 518.0; March 526.0, 527.0, 527.0-526.0; May 529.0, 530.0, 530.0; July 530.0, 540.0, untraded. Seles: 39.

BREDS—Close (in order: buyer, seller, business). New Zeeland cents per kg. Jan 354, 370, nil; March 374, 387, 387, 375; May 378, 380, 378; Aug 393, 398, nil; Oct 396, 399, 397; Dec 404, 408, 406, 405; Jan 405, 407, 406; March 414, at the close.

GAS OIL FUTURES

The market opened slightly higher on old crops and unchanged on new crops. Commission house and shipper buying kept barley steady. New crops

BARLEY Yesterd'ys +or Yesterd'ys +or Mnth close - close -

Nov... 110.75 |+0.48 106.20 |+0.75

Bissiness done—Wheat: Jan 108.80108.55. March 112.15-112.00, May 115.55115.40, July 118.80 only, Sept 107.10106.70, Nov no trades. Seles: 82 lots of 100 tonnes. Barley: Jan 104.45-103.90, March 107.70-107.30, May 110.95-110.75, Sept 102.20-101.70, Nov 106.20-105.70. Seles: 142 lots of 100 tonnes.

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No. 2 14 per cent, Jan 115.50, Feb 117.25, March 118.50 transhipment East Coast. English Feed fob, Jan 112.50 Bristol Channel. Maize: French, first half Jan 133.50 transhipment East Coast. S. African White/ Yellow, Jan 83. Barley: English Feed fob, Jan/March 111 East Coast. Rest unquoted. unquoted.
HGCA--Locational ex-farm spot prices.

Other milling wheat: S. West 108.60. Feed barley: S. East 103.50, S. West 104.30. W. Mids. 105.50, N. West 104.80. The UK Monetary Coefficient for the week beginning Monday January 11 (based on HGCA calculations using 4 days exchange rates) is expected to remain unchanged.

RUBBER

The London physical market opened about unchanged, attracted little interest throughout the day and closed January tob price for No. 1 RSS in Kuala Lumpur of 198.5 (199.0) cents a kg and SMR 20 176.5 (175.5).

No. 1 Yest'r'ys Previous Business R.S.S. close Done

Jan-Mar: 81,90-82,90 81,90-82,10 82,50 Api-Ine.: 64,90-65,00 64,86-55,20 64,80 11/9-8ept: 68,00-68,90 87,90-68,20,68,00 Oct-Dec 71,08-71,10 71,10-71,50 71,10-70,80

Sales: 167 (343) lots of 15 tonnes, 1 (185) lots of 5 tonnes.
Physical closing prices (buyers)
were spot 49.00p (same); Feb 51.00p (same): March 51.00p (same).

|Yesterdys| + or Susiness | Close - Done

per tonne	Ä
February 128,60-27,1 +0.18 127,80-27.00	-
April 129.10 29.2 129.70-29.50	0
June 128,20-29,1 + D.05 128,40-23,00	C
August 129,00 31.0 -0,15	C
October 150,58-55,0 + 0,25 — Dec	
Feb	£
·	L
Sules: 113 (150) Jols of 100 connes.	N
	Ë
CTICAD	_
SUGAR	P
LONDON DAILY PRICE-Raw sugar	6
£159.00 (£163.00) a tonne cil Jan-leb	9
shipment. White suijat duily price	_
C166.00 (C169.50).	1
	T
No.4 Yesterday, Previous Business Con- close close done	_
tract	2
	-
£ per tonna	
March, 167,46 67,50 188,85 69,00 169,25,68,80	C
May 189,40-69,45 170,60 70,80 171,50-85,25	G
Aug 173.00-73.25 174.50-74.76 175.00-72.50	G

Sales: 4,396 lots of 50 tonnes.
Tate and Lyte delivery price for granulated basis white sugar was £374.00 (same) a tonne tob for home trade and £286 50 (£273.00) for export.
International Sugar Agreement (U.S. cents per pound) fob and stowed Cambbean ports Prices for Jan 4: Daily price 12.57 (13.01): 15-day average 13.16 (13.18).

COTTON

LIVERPOOL—Spot and shipment sales amounted to 100 tonnes. A little more interest was shown in epecualist growths, but standerd qualities moved off slowly, apart from certain African

POTATOES LONDON POTATO FUTURES—Poor weather forecasts kept buyers in the

weather lorecasts kept buyers in the market, with April showing usins of £1.70, before late profit taking trimmed gains, reports Coley and Harper, Closing prices: Fob 94.20, +0.20 (high 95.00, low 94.00); April 115.00, ÷0.70 (high 115.00, low 114.60); Nov 67.20 unchanged (67.20 only). Turmover: 372 (416) lots of 40 tonnes.

MEAT/VEGETABLES SMITHFIELD—Pence per pound. Beet: Scottish killed sides 84.5 to 89.5; Utsler hindquarters 100.0 to 104.0, fore-quarters 62.5 to 65.5, Veal: Dutch hinds and ends 139.0 to 145.0. Lamb: English small 76.0 to 87.0, medium 80.0 to 85.0; Importad; New Zealand PL (new season) 68.0 to 69.0, PM (new season) 68.0 to 69.0, PM (new season) 67.0 to 67.0, YMs (old season) 67.0 to 67.0, YMs (old season) 67.0 to 67.0.

MEAT COMMISSION-Average fatstock prices at representative markets. GB—Cartle 200,22p per kg kw (-2.98). UK-Sheep 184.43p per kg est dcw (~10.34). GB-Pigs 76.74p per kg lw COVENT GARDEN-Prices for the bulk of produce in sterling per package except where otherwise stated.

package except where otherwise stated.
Imported Produce: Oranges—Moroccan:
Navels 48/113 3.30-3.50; Spania:
Navels/Navelinus 42/130 3.00-3.40;
Jaffa: Navels 88/144 4.85-5.35. Clementines—Spania: 3.80; Moroccen: 6's
3,30-3.40, Satsumas—Spania: 3.30-2.60.
Lemons—Cyprus: 3.00-4.00; Italian 60/
150 3.50; Greek: 5.00-6.00; Spania:
40/50 2.40-2.50. Grapefruit—U.S.: Pink
32/48 6.00-7.00; Cyprus: Large carrons
3.80-4.50, small cartons 2.80-3.40; Jaffa:
35/88 3.80-4.55. Apples—French: New

SOYABEAN MEAL PRICE CHANGES

in tonnes unless otherwise stated.

	Jan. 5 1982	+or	Month ago	
				
Matals				
Aluminiu m	£810:815		£810/815	
Fres Mkt			\$1120,60	
Copper				
Cash h grade	£838.3		2874,5	
3 mins	2887.5		£695,25 £870.0	
Cash Cathode	1607 E		£850,25	
3 mths Gold , roy oz	2023.3 2105 B	+ 2.0	209U,Z0	
Lead Cash	2700,0	715 145.	2342.25	
5 mths	6550 SB	15.0	9350 OF	
Nickel	¥3737.75	. •	£3671.69	
Free mkt	255,290e	+2.5	240/90a	
Platin'mtr'y oz	£199,45		2260	•
Freemkt	1.30	+6,3	£217,35	
Quicks(lvert	3410/415	2,5	8420;42	
Silver tray oz	425,40,		454.205	
_ 5 mms	441.50	+8.0	469,6úp	
Tin Cash	12,500.5	- 14,5	28332 p	
Z meka				

5 mths......£7,865 !+10 £2417,5 Tungsten21,0(b \$127,40 !-7,88 \$137,3g onut (Phil), \$542,5y -7.5 \$557,50 5 \$492,5

Barley Fut, Mar £107.70 +0.45 £107.10

‡ Unquoted, w Dec-Jan, z Feb. y Jan-Feb. † Per 76-ib flask. * Ghana cocas n Nominal. § Seller.

crop, Golden Delicious 30 lb 3.00-3.80, 40 lb 5.00-7.50, Starktomson 40 lb 6.50-7.00, 20 lb 3.40-3.99, Granny Shirth 7.63-8.50; Canadian: Red Delicious 9.00-11.00; U.S.: Red Delicious 8.00-14.00; 7.63-8.90; Canadian; Red Delicious 8.00-14.00; Hungarian; Starking 6.60-7.00. Pears—Dutch; Comice 14 lb, per pound 0.24-0.26. Peaches—S. African; 4.50. Nectarines—S. African; 18/28 5.00-6.00; Chilean; 23/48 8.00-9.50. Pluma—U.S.; Per pound 0.20-0.40; Chilean; 23/48 8.00-9.50. Pluma—U.S.; Per pound 0.20-0.40; Chilean; 5anta Rosa 17 lb, per pound 0.90. Apricota—S. African; 11 lb, par pound 0.50-0.55. Grapes—Spanish: Almaria 11 lb 3.00-2.80, Negra 4.80-5.00; S. African; Queen of the Vineyard, per pound 1.00; U.S.; Red Emperor 0.45; Chilean; Seadjags per pound 1.20. Strawberries—Israeli: Per 8-oz tray 7.50-8.00; New Zealand; 1.20-1.30; Kenyan; 0.60-0.80; U.S.; 12 oz 1.50. Litches—S. African; 0.80. Melons—Spanish; 10 lg 5.00-6.00, 15 kg A1 10.50-11.00. Pineapplas—Lory Coest; Each 0.40-1.00. Bananes—Colombian; Per pound 0.18. Avocados—U.S.; Large box 5.50-8.00, small box —U.S.: Large box 5.50-6.00, small box 2.50; Israeli: 3.60-4.20; Canary Large box 5.60, small box 3.50-4.00. Mangoes Pork: English, under 100 th 43.0 to 56.5, 100-120 th 46.0 to 56.0, 120-160 th 42.0 —Kenyan: 8/16 4,50-5.00; Peruvian; 8.00, Dates—Tunisian: 20's 0.50-0.60; U.S.: 0.43-0.44. Tomataes—Spanish: U.S. 0.43-0.44. Tomatias—Spanish:
1.50-2.50; Canary: 1.50-3.00; Maraccan:
1.50-1.60. Onions—Spanish: Granp 3/5
5.00. Capsicums—Dutch: 5 kg. rad
5.50; Italian: Green 3.00: Isrseli: Rad
6.50. Cabbages—Dutch: White 3.504.00, rad 4.00-4.50. Cauliflowers—
Jersey: 24's 12.00. Califlowers—
0.01ch: 22 ib 3.20-3.40, pre-packed 2.80;
1talian: Per pound 0.10-0.12. Lattuce—
Dutch: 24's 3.50-4.80, 12's 3.20-3.40.
Cucumbers—Canary: 2.00-3.00. Chleory—Betqian: 3kg 2.20-3.00. Endive—French: 5.00. New Potatoes—Canary:
28 ib ware 5.00, mids 5.60; fisilian: Per pound 0.15-0.16; Jersey: 13-16 tubs ware 1.00, mids 1.40-1.50; Cyprus: 5.00.

ware 1.00, mids 1.40-1.50; Cyprus: 5.00. Artichokes—Egyptian: 7.00; Spanish: 3.50-4.00. Aubergines—Canary: 5.00-

AMERICAN MARKETS

NEW YORK, January 5.

COPPER sold off sherply due to srbitrage selling as sterling weskened.
Cocos advanced on reports off additional buffer stock purchases. Coffee 48.20, July 47.27, Aug 45.25, June 45.25, prices roses on active reacter buying.
Catile markets were mostly lower on the cash markets were mostly lower on the cash markets with the not the cash markets with the cash mar steady cach markets while the pork complex was higher on enticipated lower marketings. Grains and soyadisappointing export inspection figures, reported Hainaid.

Capper—Jan 72.60 (74.25), Feb 73.40 (75.00), March 74.20-74.25, May 75.90-76.05, July 77.55, Sept 79.25, Dec 81.85, Jan 82.70, March 84.35, May 84.35, July 87.60, July 87.60, Sept 89.25.

Potations (round whites)—Feb 70.0-71.0 (70.0), March 73.0-75.5 (74.5), April 79.7-80.1, Nov 75.5-77.0. Sales: Soyabean Oil—Jan 18.58-18.59 (18.63), March 19.7-80.1, Nov 75.5-77.0. Sales: Soyabean Oil—Jan 18.58-18.59 (18.63), March 19.7-80.1, Nov 75.5-77.0. Sales: Soyabean Oil—Jan 18.58-18.59 (18.63), March 19.7-80.1, Nov 75.5-77.0. Sales: Soyabean Oil—Jan 18.58-18.59 (18.63), March 19.7-80.1, Nov 75.5-77.0. Sales: Soyabean Oil—Jan 18.58-18.59 (18.63), March 19.7-80.1, Nov 75.5-77.0. Sales: Soyabean Oil—Jan 18.58-18.59 (18.63), March 19.7-80.1, Nov 75.5-77.0. Sales: Soyabean Oil—Jan 18.58-18.59 (18.63), March 19.7-80.1, Nov 75.5-77.0. Sales: Soyabean Oil—Jan 18.58-18.59 (18.63), March 19.7-80.1, Nov 75.5-77.0. Sales: Soyabean Oil—Jan 18.58-18.59 (18.63), March 19.7-80.1, Nov 75.5-77.0. Sales: Soyabean Oil—Jan 18.58-18.59 (18.63), March 19.7-80.1, Nov 75.5-77.0. Sales: Sales (18.64), March 19.7-80.1, Nov 75.5-77.0. Sales (18.64), March 19.7-80.1, Nov 75.5-77.0. Sales (18.64), seans were moderately lower following (186.4). March 187 4-187.0 (187.4). May 182.8-189.0, July 191.0, Aug 191.5-192.0, Sapt 192.0. Oct 192.0, Qác 198.0. Soyabsan Oil — Jan 18.58-18.59 18.63). March 19.14-10.13 (19.20). May 19 74, July 20 32, Aug 20.50-20.55, Sapt 20.78-20.75, Oct 20.95, Dec 21.25, Jun 21 20.21 25.

280. 95.7-60.1, No. 97.3-77.0. Sales: 280. 95.10vr.—Jan 833.0 (823.5), Feb 240.5 (830.8). March 847.0-850.0, May 868.0-871.0, July 828.0, Sept 908.9, Dac 929.3, Jan 849.5, March 989.8, May 990.1, July 1010.4, Sept 1020.7. Handy and Harman buillion sport 825.00 (802.00). Sugar.—No. 11: March 12.80-12.81 (12.74), May 12.95-12.96 (12.90), July 13.17, Sept 12.40-12.41, Oct 13.62, Jan 12.55-14.30, March 14.23-14.25, May 14.0-14.60. Seles: 9.550. Tin—680.00-720.00 (685.00-710.00).

CHICAGO, January 5.
Lard—Chicago Loose 18.25 bid/18.50 offered (18.25).
Live Cattla—Feb 58.50-56.70 (56.15),
April 55.47-55.60 (55.97), June 56.55-

Monday's closing prices

NEW YORK, January 4.

††Cacos March 2142 (2054), May
2148 (2060), July 2153, Sept 2162,
Dec 2187, March 2217 Sales: 5,400.
Coffsee—"C" Contract: March 142.25142.45 (139.71), May 136.25-137.00
(133.63), July 123.00. Sept 130.00130.40, Dec 127.00.127.50, March 125.50126.50, May 124.00-125.50, Sales: 2,300.
Cotton—No. 2: March 65.35-65.50
(C4.27), May 86.70-66.75 (65.70), July
68.20, Oct 70.10, Dec 71.10, March
682.1, Sept 498.3.

122.70, Dec 134.00.
All cents per pound ex-warehouse unless otherwise stated. "\$ per troy onnce. I Cents per troy nunce. I Cents per troy nunce. I Cents per 56-1b bushel. | Cents per 60-1b bushel. | \$ per short ton (?,000 lb). \$ \$Can. per metric ton. \$ \$ per 1,000 sq. It. I Cents per dozen. | I \$ per metric ton.

Jan 21.20-21 25.

†Wheat—March 3911, 3901, (3904),
May 400-4001, (4004), July 405-4041,
Sept 417, Dec 4341, March 4481,
WINNIPFG, Januery 5.

\$8arley—March 125.70 (125.80), May
179.20 (129.20), July 130.80, Oct
122.70, Dec 134.00.

All Cents Dec pound expersions

EUROPEAN MARKETS

ROTTERDAM. January S.
Whart—(U.S. \$ per tonne): U.S.
No. 2 Dark Hard Winter, 13.5 per cent:
Jen 196.50, Feb 198, March 202, April
205. U.S. No. 2 Red Winter: Jan
173, Feb 174, March 177. U.S. No. 3
Amber Durum: Spot 197, mid-Jan/midFeb 203, April/May 195, Jime 197.
U.S. No. 2 Northern Spring, 14 per
cent: Jan 188, Feb 200, March 204,
April/May 191. Canadian Wastern
Cocca—(FFr per 100 kips): March 253. April/May 191. Canadisn Western Red Spring: Jan 221, April/May 220. Maize — (U.S. \$ per tonne): U.S. No. 1 Corn. Yellow: Spot 132. Affort 125. Jan 123.50. Feb 125. March 127, April/June 130. July/Sept 133. Oct/Dec

Soyabeana—(U.S. \$ per tonne): U.S. Aug 1960-1970, Det 1980-1990, No. 2 Yallow. Gulfports: Jan 249.50, 1990, Dec 1995-2005, March 2010-2050. Feb 253.50, March 256.25, April 257.50, Sales at catt: 16.

Cocos—(FFr per 100 kilos): March 1304-1305, May 1306-1310, July 1330 bid, Sept 1345-1360, Dec 1370-1380.

Murch 1380-1390, May 1390-1400. Sales Sugar---(FFr per tonne): March 1855-1857, May 1893-1898, July 1915-1935.

INDICES FINANCIAL TIMES

Jan.4 | Dec. 31 Month ago Year ago 249,09248,97 | 247,29 | 263,97 (Base: July 1, 1952-100).

Jan. 4 Dec. 30 Month ago Year ago

977,5; 989,0 | 984,9 | 1233,6

(December 31, 1931-100)

MOODY'S

Jan. Dec. Month Year 4 30 ago ago

DOW JONES

Spot 135.02 357.56 362.72443.72 Fut.rs 125.87 363.79 371.18466.18 (Average 1924-25-26 - 100) REUTERS

Jan. 6 Jan. 4 Minth ago Year ago

1504.6 1504.6 1601.0 | 1729.5

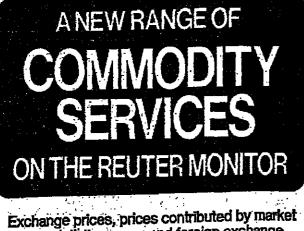
(Base: September 18, 1931 = 100)

5.50; larsali: 6.52; U.S.: 10.00. Walnuts
—Chinese: Per pound 0.44-0.45.
English Produce: Potatoes—per 55 lb,
white 2.60-3.50, red 2.80-3.60, kino

40/80mm 2.00-3.00. Carrets—per 28/28
lb 1.50-2.30. Bestroots—per 28 lb.
round 1.30, long 1.50-1.80. Persnips—
round 1.30, long 1.50-1.80. Swedes—per net English Produce: Potatoes—per 55 th, white 2.80-3.50, red 2.80-3.50, King Edwards 2.80-4.00. Mushrooms—per Edwards 2 80-4.00. Mushrooms—per pound, open 0.30-0.40, closed 0.55-0.70. Applae—per pound, Bremley 0.18-0.28, Cox's 0.20-0.28, Russets 0.18-0.30, Spartan's 0.20-0.25, Pears—per pound Conference 0.14-0.21, Comics 0.18-0.25, Cabbages—per 30-th bag, Celtic/Jan. King 2.00-2.50. Lettuces—per 12, round 1.60-2.40. Onions—per 55 lb

1.20-1.40. Sprouts-per 20 lb 2.00-2.60

GRIMSBY FISH—Supply poor, demand good. Prices at ship's side (unprocessed) per stone: Shelf cod (5.07-66.90, codlings £4.00-£4.00, Large baddock £2.80-£5.60. Medium plance £5.00-£6.20. Rockfish £1.40-£2.00. Roda £1.40-£2.00. Sauthe £3.90,



makers, statistics, news and foreign exchange METALS GRAINS/OILSEEDS

COCOA RUBBER PETROLEUM COFFEE SUGAR For further details please telephone John Roberts in London

on 01-251-7485 or contact-

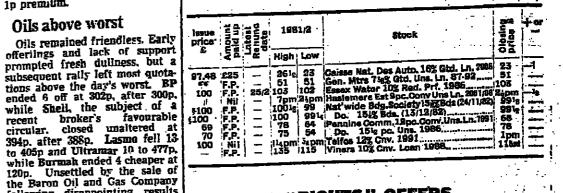
your local Reuter office.

26

Financial Times Wednesday Januar RECENT ISSUES

EQUITIES Asproy 97 Baille Gifford 'n Tst 97 b2.5 2.0 5.9 12.1 150 F.P. 4/1 165 US\$5,90 F.P.; - 305

FIXED INTEREST STOCKS



"RIGHTS" OFFERS

Reflecting recent adverse Press mention, Double Eagle weakened 8 to 40p and Warrior Resources 10 to the same price.	issue price p		inc.	198 High	1/2 Low	Stock	<u>6</u> 2	+or
Among Financials, Mercantile House turned reactionary ahead of the interim figures due later in the month and eased 15 to 423p. Majedie lost 5 to 85p, but Energy Finance moved against the trend with a rise of 3 to 45p. Golds firmer South African Golds put on a	712 142 2,5A5 15 152 25 44 712 90 50 25 05 cta	F.P.29/12 Nii — F.P. 23/12 Nii — F.P. 18/12 Nii — F.P. 17/12 Nii —	29/1 21/1 15/1 21/1	93pm 112pm 183 9pm 6pm 10	195 60pm 1pm 172 71 ₂ pm 5pm 75m 7pm 50 1pm 109pm	Abwood Mach Brown (M) C S R Cariton Real Esta Great Portland Estates Leneons Grp Ragian Prop linea Brothera Strong & Fisher T N T	10pm 51 1pm 115pm	- 1g

Renunciation date usually last day for dealing free of stamp duty b Figures sed on prospectus estimate. d Dividend rate paid or psyable on part of petel; cover based on dividend on full capital. g Assumed dividend and yield. capital: cover based on dividend on tull capital. g Assumed dividend and yield after scrip issue. In Interim since increased or hassumed dividend and yield after scrip issue. In Interim since increased or resumed. U Forecast dividend: cover besed on previous year's earnings. F Dividend and yield based on prespectus or other official satimate for 1981. F Dividend and yield based on prespectus or other official satimate for 1981. Officer and the process of the process

	AC	TIVE	STOCKS		. : 5
Above average a	ctivity w	es noted	in the following stor	PicatriA	
ock .	price	Day's change	Stock Howden Group	price pence 150	Day's change — 2
of Scotland lays Bank ett Developments		-10 - 7 - 5	RTZ Royal Bk of Scotia	nd 186	- 5
sh Aerospace	198 302	- 6 - 6	Shell Transport Sun Alliance	816	-14 + 5
d Metropolitan	. 182	1	Ward (T.W.)	. 210	

MONDAY'S ACTIVE STOCKS

	Basec	d on ba	rgaina re	corded in SE Offic	ial List		-
		Monday'				vionday'	9 '
	No. of	closing			No. of		Day's
Stock	price changes	репсе	Change	Stock	changes 10		change — 2
:C Z	20 14	811 · 430	-18 -13	Cable & Wire Sun Alliance	10	830	- 4
yai ins	13	327	- 8	BAT Inds Chloride Gro	9	350 27	- 5 - 1
ssey cal Elec	12	357 4 3 5	<u>- 6</u>	Comm. Union	= .	126	— з
nk Ors	12	178	- 4	Marley	8	43	- 2

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the institute of and the Faculty of Actuaries

	EQUITY GROUPS	•	Tues	Jan 5	1982		Mon - Jan 4	Thurs Dec 31	Wed Dec 30	Tites Dec 29	Year ago (approx.)
Figu	& SUB-SECTIONS res in parentheses show number of stocks per section	Index No.	Day's Change %	· Est. Earnlogs Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Index. No.	index No.	Index No.	ipdex No.	lader No.
11	CAPITAL 6000S (210)	351.70	-1.0	9.90	4.52	12.54	355.24	358.85	357.11	354.48	285.24
Ž١	Building Materials (25)	299.65	-0.9	35.30	5.73	7.57	392.23	301.89	300,75	297.65	245.98
3	Contracting, Construction (28)	531.31	-0.6	17.68	5.31	6.61	534.37	534.42	531.11	524.95	404.67
4	Electricals (30)	1230.13		7.37	2.33	17.34	1240.11	1257.83	1251.37	1245.54	953.89
5	Engineering Contractors (9)	490.68		12.98	5.76	8.99	491.91	490.87	489.16	481.98	394.49
6	Mechanical Engineering (67)	188.63		11.26	5.79	11.33	190.69	.193.91	192.65	190.23	170.74
8	Metals and Metal Forming (12)	160.51		8.59	7.59	15.74	165.04	157.22	166.93	154.99	156.12
9	Motors (21)	92,62		<u> </u>	7.37	i	93,65	93.99	93.73	93.51	91.29
10	Other Industrial Materials (18)	365.84	-1.2	9.08	6.21	13.47	370.47	374.39	372.63	370.89	289.84
21	CONSUMER GROUP (198)	265.59		13.67	6.22	8.98	257.53	247.25	268.73	264.73	238.11
22	Brewers and Distillers (20)	266.31		17.55	7.35	6.81	269.29	272.42	272.09	270.35	268.38
25	Food Manufacturing (21)	261.73		15.87	6.51	7.57	263.57	263.58	264.54	261.97	211.6
26	Food Retalling (15)	545.79		9.73	3.60	12.45	551.74	50.28	549.77	546.30	454.99
27	Health and Household Products (7)	338.70		9.23	4.72	12.73	342.20	345.%	344.97	343.18	261.05
29	Leisure (24)	418.53 474.61		9.76	5.25	12.77	120.12	428.24	418.78	41417	345.12
32 ¹ 33	Newspapers, Publishing (12)	130.74		12.99	6.35	11.16	478.65	479.75	471.21	473.85	425.61
34	Stores (46)	238.02		15.53 12.18	8.23 5.67	7.68	131.31 239.63	137.65 248.31	230.94 240.51	128.18 239.79	113.35 247.25
35	Textiles (23)	152.91		10.40	6.49	12.39	154.64	156.65	153.64	152.75	124.78
36	Tobaccos (3)	253.74		22.81	10.27	5.03	255.93	269.95	259.96	257.95	200.29
39	Other Consumer (14)			7.63	7.15	21.70	250.87	247.87	248.39	247.32	236.49
41	OTHER GROUPS (79)	228.88		11.15	610	11.40	238.41	232.39	230.41	228.58	217.55
42	Chemicals (3.6)	297.89		6.07	6.07	27	298 66	302.8	380.51	297.31	292 67
44	Office Equipment (4)	117.66		15.54	7.48	7.69	113.78	120.42	117.36	114.68	99.91
45	Shipping and Transport (13)			20.79	לבנל	5.73	515.87	519.74	538.25	508.48	537.A2
46	Miscellaneous (46)	289.92		12.58	5.58.	9.68	293.37	294.98	293.12	291.96	264.62
49	INDUSTRIAL GROUP (487)	289.79		118	5.55	10.42	292.20	294.53	293.41	201.20	252.67
51	Olfs (13)	719.41		19.79	7.85	5.72		743.56	747.95	76.5	1. —
39	500 SHARE INDEX	324.65		13.27	5.95	910	327.61	330.07	330.26	178.65	100.22
61	FINANCIAL GROUP (119)	249.34		+~2	611	1 7.10	23 8	255.11	254.44	T	23(1)
62	Banks(6)	280.96		32.67	6.72	3.64	285.26	25111	284 30	276.27	26.0
63	Discount Houses (9)			1 3237	9.19		246.20	246.71	247.21	247.16	295.06
65	Insurance (Life) (9)	245.82		1 =	6.49	I ≡	249.24	252.16	252 78	243.57	224.23
66	Insurance (Composite) (10)	149.56		1 =	8:95	1 =	152.72	155.65	155.05	151.24	167.02
67	Insurance Brokers (8)	413.00	-0.1	11.27	5.89	12.02	413.55	417.13	417.13	434.63	311.4
68	Merchant Banks (12)	153.24		1	5.32		155.28	156.63	155.67	133	1475
69	Property (50)	443 82		4.98		26.58	448.50	452.91	63.27	651.74	441.42
70	Other Financial (15)	175.10		17.88		7.23	179.62	177.99	17727	174.41	171.55
71	Investment Trusts (110)	283.5		+	3.70		225.33	285.90	285.28	24.77	234.10
81	Mining Firance (4)	229.80		14.99		8.03	221.94	236.15	255.44	235.22	229.61
91	Overseas Traders (17)	. i 399.21	-18	12.72		9.63	403.13	465.77	492.67	400.50	432.13
99	ALL-SHARE INDEX	307 1	-10	 	10.3	1		313.12		1	1
\ <u></u>		.,	¬	<u>': = .</u>	-	<u> </u>	I AMEND	عنتند	1 MEN	310.15). ZTELAS

8.00

8.00

0.00

8.00

FIXED INTEREST

-846

-0.59

-0.63

-1.29

195.72

99.14

100.24

109.89

101.33

WS.25

%.55

99,61

108.39

78.63 -8.13

British Gore

5-15 years

Over 15 years.

Tues Jaa S

14.14 14.14 16.40 16.10 15.44 16.23 16.26

15,71

16.59

1457

REDEMPTION YIELDS

US influences affect markets but Gilts and equity leaders reduce falls after UK banking statistics

Account Dealing Dates

Option *First Declara- Last Account Dealings tions Dealings Day Dec 23 Jan 7 Jan 8 Jan 18 Jan 21 Jan 22 Feb l Feb 11 Feb 12 Feb 22 • " New time " dealings may take place from 9.30 am two business days

U.S. influences in the shape of the latest unexpected share increase in money growth, which led to weakness in the bond market there, and a leading analyst's prediction that American long-term interest rates would this year threaten their 1981 peaks had a marked effect on London stock markets vesterday. Both main investment sectors displayed nervousness with Government securities falling a point and leading shares sustaining double-figure losses prior to rallying late following receipt of the UK December

banking statistics. The Gilt-edged market seemed especially uncertain. After opening easier, dealers encountered nervous selling which took its toll at both ends of the market. Many longer-dated issues soon showed falls of a point and the short tap. Exchequer 14 per cent 1986, was nearly that much down at the case store. We reliving tendency one stage. No rallying tendency developed until the 2.30 pm anof only 4 per cent in sterling M3.
This was much smaller than expected and longer quotations immediately recovered around half of the earlier falls, but the shorts made only a tentative

improvement and closed with losses extending to a.
Still faced with the worrying industrial relations outlook and expectations that Wall Street would react adversely to the surprise jump in money growth, announced after Monday's close, leading equities also weakened. Popular Electricals decline and GEC fell in 800p before closing a mere 3 down on balance at 808p. Oils, too, were sold initially by investors wary of the downward pressures on crude oil prices, but in this sector also final losses were

The FT Industrial Ordinary share index measured the con-tinued easiness with a fall of 8.1 at the three counts from noon until 2.00 pm. An hour later, after release of the UK banking figures it recorded a decline of 4.5 and this was finally trimmed to 42 at the close of 518.1; confirmation of sharply lower New York values in vesterday's early trade had little or no impact on

Demand for Traded options

Reflecting the liquidation of speculative positions in the absence of bid developments. Bank of Scotland fell 10 to 498p.

62.37 62.06 68.83

5.72 5.78 7.54

500l 450 Property 425 F.T. Actuaries Index

after 495p. Awaiting the Monopolies Commission's decision on the rival bids from Hongkong and Shanghai and Standard Chartered, Royal Bank of Scotland shed 9 to 186p; SC gave up 13 to 663p and HK a couple of pence to 129p. Home banks continued to drift lower on sporadic offerings and lack of support. Midland lost 8 to 340p and Barclays 7 to 445p; the major clearers have agreed to buy, for £51m, the International Commodities Clearing House. the clearing house for London's soft commodity markets. Irish issues came on offer with Bank of Ircland down 10 at 250p and Allled Irish 6 off at 94p. Discounts eased in sympathy with gilts; Cater Allen declined 10 to 305p as did Union, to 400p. Else-Guinness Peat eased to S5p before closing a net 2 cheaper at 88p on reports that the Stock Exchange is studying the movements in the shares hefore the announcement that a

the company. Fears that damage caused he recent storms could have cost the insurance market £50m prompted nervous selling of Composites which retreated from the start. Prices closed a few pence above the dav's lowest, but Sun Alliance still sustained a fall of 14 to 815c. after 812p, while Eagle Star shed 7 to 318p and General Accident 8 to 306p. GRE declined 8 to 286p as did Phoenix, to 216p. Elsewhere, Pearl, at 388p, also

partial offer might be made for

Mothercare easier

Breweries continued to drift lower for want of attention. Sporadic support was evident at the lower levels, but the leaders still finished with modest falls. Whithread, 89p, and Scottish and Newcastle, 50p, eased around 2 apiece. Wines and Spirits also closed a shade easier for choice. Arthur Bell finished 6 lower at 148p, after 146p, following adverse Press comment. Support was also lacking for Luis Gordon, 3 off at 29p.

few pence easier for most

trend general

rincoanged on datance at 2001.
Fisour finished just a penny cheaper at 152p, after 145p.
Leading Stores turned dull, although some finished a shade above the day's worst. Mothercare came under renewed presents overiting port work's characteristic port of the chara sure awaiting next week's shareholders' meeting to vote on the proposed merger with Habitat gave up 5 more to 155p; Pabitat recovered from an earlier 110p to close unchanged A reasonable two-way developed in selected ary issues. Cornell trade secondary issues. Cornell Dresses reacted to revived profittaking and closed 8 lower at 155p. Polly Peck fell 10 to 345p. while Wearwell eased a comple of pence to 54p with the nil-paid a similar amount off at 4p premium. Sellers also held sway in Tern-Consulate, 4 down at 55p. but H. Samuel, interim results due next Monday, added a couple

Electricals where the leaders were particularly vulnerable to trend. George Scholes put on 8

of pence to 102p.

virtually unchanged. House-builders Barratt Developments closed 5 cheaper at 210p; Standard Life Assurance now has a 5.2 per cent stake in the company. Fresh interest was shown in Wiggins Group which put on 3 to a peak of 90p, while the appearance of a single buyer in a market short of stock lifted

Feb International 7 to 88p. ICI, down to 284p at one stage on light selling, rallied to close unchanged on balance at 288n.

renewed selling. However, a late rally helped them to close well above the day's lowest with GEC finishing only a few pence off at 80Sp, after 800p. Plessey Inst 4 more to 353p, after 350p, while Racal dipned 7 to 428p, after 425p; the latter's interim figures are due next Wednesday. Thern EMI. with half-yearly results scheduled for tomorrow week, eased a couple of pence to 455p. Elsowhere Onest Astomation lost 7 to 133p awaiting today's first-half results. Ward and Goldstone shed 6 to 106p hut, against the

Dull conditions prevailed in

Leading Engineers rallied in es, Tubes, 122p. and Hawker, 320n. of the session in the absence of alteration after touching 118p and support, leading Buildings 316p respectively. Renewed support, leading Buildings 316p respectively. Renewed picked up in line with the offerings, however, left Vickers

6 cheaper for a two-day fall of for the company from Bosebaugh. unchanged at 250p, after 240p. 11 to 144p. Elsewhere, the trend Greycoat Estates, down 22 on was again to lower levels, but Anderson Strathclyde, an old Monday on consideration of the company's share exchange offer take-over favourite, encountered for City Offices, rallied 7 to 147p; the latter held at 122p. Berkeley speculative demand and closed 4 higher at 94p, after 95p. Yarrow, 300p up 10, and Vosper, 5 to the Hambro. in receipt of a paper bid from Town and City, shed & good at 140p, also moved against the trend, while Halite Holdings. to 332p with T & C I easier at 31p. Carlton Real Estates were the subject of an abortive cash quoted at 161p ex the rights issue offer worth 190p per share from General Tire, rose 6 to 192p fol-lowing news that the latter had with the new nil-paid shares at 1p premium. acquired a 7.8 per cent stake at 200p per share in Hallite to bring its holding to 28.5 per cent. United Engineering, in contrast, met fresh offerings and gave up 7 more to 253p. Falls of 4 were marked against, Pegler-Haltersley, 176p, B. Elliott, 90p, and Staveley, 216p. Disappointing interim results left Howden Group 2 cheaper at 150p, while Redman Heenan closed a penny lower at 46p after the full report. Birmid remained on offer

Oils above worst

following disappointing results from the subsidiary, KCA International feli 6 more to 122p.

Reflecting recent adverse Press mention, Double Eagle weakened

much brighter performance, boosted by yesterday's \$10 rise

in the bullion price which closed

The sharemarket opened on a

steady note, encountered light profil-taking around mid-day, but

quickly rallied to close at the

day's best levels in the wake of

London Financials fell sharply

at the outset depressed by the

downturn in UK equities, but also

staged a recovery in the late

Rio Tinto-Zinc were finally un-altered at 430p, having fallen to 423p in early trading, while the

An otherwise quiet Australian section was featured by Gold Mines of Kalgoorlie, 8 firmer at 368p. and Peko - Wallsend, 10 up at 330p, both following the

gains in precious metal prices.

In the oil and gas issues, Beach Petroleum added 3 for a two-day

gain of 8 to 98p reflecting rumours that hydrocarbons have

been encountered in the Sperm

Whale No. 1 well in the Bass

Elsewhere, Tara Mines eased

at the Navan zinc/lead mine have

rejected the company's wage

offer: the mine has been closed

for six months because of the

to 495p on news that workers

The Gold Mines

American support in the after-

hours' trade. The Gold index gained 0.7 to 302.0.

gave up 8 to 392p...

Strait.

wage dispute.

\$405.5 an ounce.

at 23p, down 11p, and Brockhouse gave up 3 to 29p. Leading Foods generally met Leading rooms generally met light selling and eased a shade. Elsewhere, revived speculative interest in a thin market lifted Bernard Matthews 10 to 110p.

T. W. Ward better

T. W. Ward rose 8 to 218p in response to the chairman's profits and dividend forecast contained in the defence document firmly rejecting RTZ's 190p per share bid. Elsewhere in miscellaneous industrials. Highgate and Job jumped 8 to 54p on speculative buying fuelled by hopes that Panavision Windows Ltd. and the associate Pickles of Paisley might launch a bid. Reports of a mini-boom in washing machine sales helped Hoover A to put on 4 to 84p, while Halma gained 3 to 87p in response to the betterthan-expected interim results. Euroflame rallied 2 further to 16p, after 20p, and Silentnight edged forward a penny to 89p. he latter on the announcement that the group is investing £5m in new factories. Ahead of to-morrow's interim figures, Peter Black gave up 8 to 215p. while British Aerospace came on offer at 198p, down 6. Recently excited the Kuwaiti Investment Office's increased stake in the company to 6.75m shares, Chubb acted 3 on profit-taking to 99p. Pilkington, 8 easier at 255p. became the biggest casualty of the quietly dull leaders.

Recently firm Pleasurama closed 5 cheaper at 305p, after 300p, the increased annual profits and proposed 100 per cent scrip issue discounted. Elsewhere in the Leisure sector, Horizon
Travel, a good market of late on
reports of increased holiday hookings, reacted to 275p on profit-taking before closing a net off at 278p. Fading bid hopes clipped 4 from Black and Edgington to 48p. Among Television issues. Scottish TV A shed 3 to 77p and Trident gave up a penny to 68n, the latter following shareholders' approval of the £14.6m

The uncertain outlook for needs rates inhibited interest in Properties and the leaders closed with modest losses, where changed Attention elsewhere was centred on situation stocks Lendon Shop Property closed 2 cheaper at 135p, after 134p, following the 135p per share bid

NEW HIGHS AND LOWS FOR 1981/2

NEW HIGHS (13)

BUILDINGS (2)

INDUSTRIALS (4) TEAS (1)

NEW LOWS (24) CORPORATION LOAMS (3) 5 up: '88-90 London Corp. 1 Auc: 1935-87 1984-85 FINANCIAL LOAMS (1) 1pc A Deb.

BEERS (2) Gordon (L.) Whithread (ELECTRICALS (1) NOUSTRIALS (1 INSURANCE (1)

Mais GIL & GAS (3) Warrior Re RUBBERS (1) MINES (2)

RISES AND FALLS YESTERDAY

British Funds	Rises 1	Falls 87	Same 4
Corpus. Dom. and Foreign Bonds Industrials	2	39 £77	32 787
Financial and Prop.	37 8	138	276 56
Plantations	39	9 38	13 91
Others	96	_42 	43
Totala	290	894	1,302

OPTIONS Last

Deal- Declara- Settletion ment ings Apr 15 Арг 26 Jan 29 Apr 28 Feb 12 May 13 May 24 For rate indications see end of

Share Information Service Calls were arranged in Burton Capseals, Trident TV, Premier Oil, BHM, Black and Edgington BP. Burmah, Welr. James Finlay Comben, Royal Bank of Scotland and Loraine. Puts were com-pleted in Habitat and Royal Bank of Scotland and doubles were struck in Exco, BP, ICI, Cons. Gold Fields and Royal Bank of

negligible.

continued to improve and 1.957 deals were arranged yesterday—1,342 calls and 615 puts. British Petroleum recorded 345 calls and the same number of puts while Imperial returned to fore with 264 calls completed. 111 in the February 70's and 100 in the February 80's.

Banks dull

63.83 63.15 63.13 63.11 63.00 63.08 70.54

518,1; 522,3 550.4 588,8 524.0 518.1 472.9

302,0 301.3 307.5 308.9 310.5 518.7 410.2

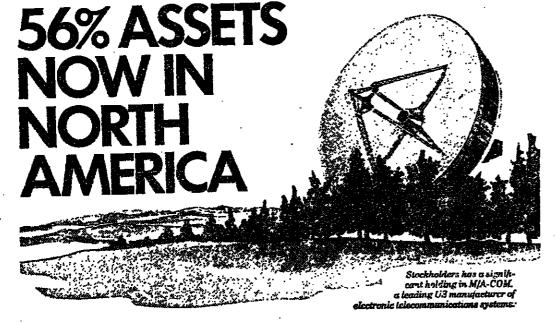
10.04 10.16 15.87 Earnings, Yld. 2 (full) 10.12: 10.05: 9.91 9.95 P/E Ratio (netx *),.... 13.62 12.70 12.88 12.84 12,72 12,58 7.27 Total bergains. 15,590 13,505 11,422 9,140 8,281 9,501 17,584 _ | 66.19 43.78 66.46 36.41 50.86 70.09 Equity turnover £m. - 10,671 8,217 8,612 6,578 4,187 13,546 10 am 521 0. 11 am 516 0. Noon 514.2. 1 pm 514.2. 2 pm 514.2 3 pm 617.8. Latest Index 01-246 8025. NH=11.27 Besis 100 Govt. Secs. 15/10/26. Fixed Int. 1823. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity 1974. S.E. ACTIVITY HIGHS AND LOWS Since Compilat a 1981/2 High Low High 60:17 127.4 49.18 Gilt Edged (25/10) (3/1/55) (2:1/75) Equities. 136.3. 89,4 61.61 | 150.4 | 50.55 | Bargains | 25/10r (25/11/47) | 5/11/51 | Value | 446.0 | 597.3 | 49.4 | 61f-Edged | 61f-Ed (26/10/71) Bargains (26/10/71) Bargains Value 558,9 43.5 (22/9/88) (26/10/71) 429.0 (14/9)

FINANCIAL TIMES STOCK INDICES

5.76 5.73 5.65 5.67

Government Secs.... 61.89 62.34 62.37 62.35

The Stockholders Investment Trust p.l.c.



In 1981, Stockholders continued its investment policy of actively seeking out companies in existing and newly developed areas of advanced technology, primarily in North America.

Highlights of the year:

* Trust's total resources at £85m and net asset value at 186.6p-both record levels.

Shift in investments to North America continues-56% of 1981 portfolio, compared with 43% in 1989 and 28% in 1979.

* Dividend up for the 11th successive year.

Copies of the 1981 Stockholders Investment Trust Report and Accounts are

John Govett & Co. Limited Management Group Winchester House, 77 London Wall, London ECZN 1DH.



Price - Net Charlish's PIE

SERVICE INFORMATION SHARE

CANADIANS—Continued

Public Board and Ind.

Agric Mt. 590 59-89	574	-12	8.66	14.41
Met. Wir. 390 67	2004	-12	12.65	14.99
U.S.M.C. 990 1982	105	8.57	
Do. without Warnts	94	9.57	-Financial BRITISH FUNDS 14.67 14.76 15.50 **Building Societies** FOREIGN BONDS & RAILS	

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30 | 18 Five to Fifteen Years Five to Fine Finding blogs 25-8741 Treesay 26 1987 — Trees. 129 1987 — Trees. 129 1987 — Trees. 129 1987 — Trees. 129 1989 — Treesay 7-50 18-8841 Treesay 7-50 18-8841 Treesay 11-50 1990 — Treesay 11-50 1990 — Treesay 11-50 1990 — Treesay 11-50 1991 — Treesay 11-50 1991 — Treesay 12-50 1991 — Treesay 12 | 1981| | 1982 | 1982 | 1984 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 144, Burroogis Cerp. 32
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12 Over Fifteen Years Undated 14.46 — 13.44 — 11.40 — 14.82 — 14.74 — INT. BANK AND O'SEAS GOVT. STERLING ISSUES CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

BANKS AND HIRE PURCHASE 288 1948/ 91148/ 914/ 914/ 914/ 914/ 9 BEERS, WINES AND SPIRITS BUILDING INDUSTRY, TIMBER AND ROADS

145 | Abertleen Com-1. | 196 | +1 | 16.42 | 3.2 | 4.9 | 8.3 | 176 | Abertleen Com | 265 | -5 | +10.0 | 3.4 | 3.9 | 7.7

ELECTRICALS—Continued BUILDING INDUSTRY-Contd. | 122 | 102 | 103 | 104 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 ENGINEERING MACHINE TOOLS Adverse Group

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Adverse Group

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Asses Toollen

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Corporate Currency Risk

by J.A. Donaldson

CORPORATE: CURRENCY RISK is an authoritative manual on foreign

Written specifically for the corporate treasurer and finance manager this report will help you in seven ways.

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- * safeguard your company against fraud and misappropriation.
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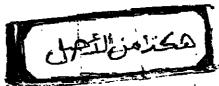
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The second secon Financial Times Wednesday January 6 1982 INDUSTRIALS—Continued INVESTMENT TRUSTS-Cont. OIL AND GAS-Continued INSURANCE—Continued PROPERTY—Continued Price |- I ME | C'er Sirs PRE Price - Net C'er Brs P/E International Financier

FINANCIAL TIMES

Wednesday January 6 1982

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Money supply rises 0.25%

per cent, the smallest rise for earlier losses of £1. more than a year.

interest rates rose again yesterday after Monday's publication end of the financial year. White figure will be published next

on tity mancial markets.

Sterling reacted to higher dollar interest rates by falling \$1.4 cents during the day in London, where it closed at \$1.9125. However, it held its own against other currencies and finished slightly higher and finished slightly higher according to its Bank of England index at 91.4, against 91.3 on Monday.

A significant factor behind general interest rates pessimism was the prediction on Monday by Dr Henry Kaufman of Salomon Bros that U.S. interest

McDonnell

Douglas

night from the announcement expected, the London gilt-edged strains on short-term liquidity that sterling M3, the broad market finished lower. Longated stocks were down £1. The rise of 0.25 per cent in sterling M3 last month—sterling M3 last month—sterling M3 last month—seasonally adjusted, for the three-week banking month to measure of the money supply, dated stocks were down \pounds_2^1 , last mouth grew by only 0.25 although they recovered from

cuts remain clouded. U.S. growth is still expected to be day as a provisional figure by exceeded substantially by the of worse-than-expected American money supply figures, which now have a far bigger impact than the UK statistics on City financial markets.

Starling reacted to higher thought.

Apart from the influence of dollar interest rates, two other factors are dampening the outlook for an easing of UK credit costs.

· Private sector borrowing from the banks, although well down from November's record level, still appeared to be growing last month at an uncomfortably high rate.

Additionally, heavy flows of funds to the Exchequer, caused not only by the spart of the traditional tax gathering season but also by back-payments sionary influence. Private bank

in the London money markets.

Prospects for interest rate cent target rate for monetary December 8-was given yesterthe Bank of England. The final

Along with the 0.5 per cent increase in November, last month's rise marked only the second monthly gain of less than 1 per cent during the whole of 1981.

The small increase was due mainly to large cash flows to the Treasury, which heavily reduced the need for govern-ment borrowing. The Bank said yesterday that a further film of delayed taxes were paid to the Exchequer during the banking month, although still £3.5bn remained outstanding as of mid-December.

High credit demand from the private sector however continues of represent an expan-

THE GOVERNMENT was Although the UK money of tax delayed by the civil borrowing is thought to have attempting to draw comfort last supply figures were better than servants' strike, are putting totalled more than £1bn last November but still higher than the Government would like.

> The London clearing banks in their monthly statement said yesterday that their sterling advances to the private sector were broadly flat last month. The banks said lending for

mortgage finance—which has led the recent spurt in private credit—grew again last month. The combination of slacker monetary growth last month and statistical changes had led to a reduction in the overall increase of sterling M3.

At an annualised rate since the Government's latest target period started in February, monetary growth in the 10 months to December was down to around 15.5 per cent against 17.7 per cent—before the statistical changes—in the nine months to November.

Gold and currency reserves down, Page 6; Editorial Comment, Page 12; U.S. interest rates volatile,

BY OUR FOREIGN STAFF ARAB PRESSURE for direct look closely at Israel's long demning the Golan annexation.

calls DC-10 meeting

By Paul Betts in New York McDONNELL DOUGLAS, the U.S. aerospace company, is to meet the 45 users of its DC-10 wide-bodied commercial aircraft

changes aimed at improving the zircraft's wing-slat system. This system, working flaps in the rear of an aircraft wing. operates in conjunction with the leading edge flaps at the front of the wing and is crucial during take-off and landing.

next week to discuss possible

The January 14 meeting at the company's Long Beach, California, headquarters will discuss the findings of an investigation by the company and the U.S. National Transportation Safety Board into an accident involving an Air Florida DC-10 in Miami tast September

when an engine disintegrated. No one was burt but the have been yet another setback for McDonnell Douglas's wide-

Demand for the aircraft has fallen sharply since the crash of an American Airlines DC-10 at O'Hare international airport in Chicago on May 25 1979 in which 273 people were killed. The crash was the worst disaster in U.S. aviation history. In the Miami accident, an engine disintegrated during take off, damaging part of the system of moving parts in the wing. A similar failure apparently happened at Chicago when an engine broke from its wing mounting soon after take

McDonnell Douglas confirmed yesterday that the company had called the meeting for next week. It said this was not an incommon action. Manufacturers regularly considered changes and updates to aircraft.

The meeting, however, comes at a difficult time for the company whose DC-18 order book has also been hit by the slump in the airline industry. The U.S. Government has dealt the company another blow by indicating that it plans to terrainate the KC-10 programme, a military version of the DC-10.

The government proposal could still be reversed by the U.S. congress, but McDonnell Douglas has warned that if the programme were scrapped, the company would consider ending DC-10 production.

Continued from Page 1

'Wets' aim

from some ministers to drop the proposals for savings on unemployment and short-term supplementary benefits. This looks likely to be successful.

Treasury Ministers are likely to stress the need to contain public sector borrowing if economic recovery is to be sustained and if interest rates are to be cut. While these factors will limit the room for manoeuvre, the Treasury's projections in its December statement indicated that there might be some scope for tax cuts, though not on the scale desired

Treasury forecasts are already being prepared and they are unlikely to differ significantly from those published just over a month ago. A complicating factor is that there is likely to be considerable uncertainty about the pay outlook, especially in the public sector, until after the Budget.

But there are unlikely to be any of the major headaches of last year when projections of borrowing were revised upwards by several billion pounds in the run-up to the Budget.

Arabs seek action against U.S.

action against the U.S. mounted record of aggression," yesterday as ft became clear that Washington would veto a United Nations Security Council resolution calling for sanctions against Israel over its annexation of the Golan

The 15 members of the Security Council have begun informal consultations on the "appropriate measures" which the council said should be taken if Israel did not abide by the December 17 resolution demanding that the annexation declaration be rescinded.

The deadline set by the Security Council passed yesterday. Israel is confident that the U.S. will block a resolution proposed by Syria calling for

Syrian newspapers said U.S. veto would seriously damage its relations with Arab countries. By going to the Security Council, Syria was

rarty that the historic alliance

between them — and the cash lifeline which the unions pro-

vide-depends on an immediate

end to the battles between party

In doing so they will effec-

tively end any embitions Mr Tony Benn still has to stand

again for the deputy leadership

of Trade Unions for a Labour Victory — the organisation which called the meeting yes-

terday and today between the

union leaders and senior mem-

bers of the party's National

trade union movement cannot Committee at Bishops Stortford,

future flare-ups over the distri-

from 29 to 90 cents a barrel.

general reduction in world oil

prices over recent months.

BY PETER RIDDELL, POLITICAL EDITOR

against Mr Denis Healey.

Tony

BY JOHN LLOYD, LABOUR CORRESPONDENT

make is clear to the Labour tolerate a situation where we

Mr David Basnett, chairman dedideating ourselves to win the

In Lebanon more extreme newspaper editorials described possible U.S. veto as "the bullet" which kills Washington's relations with them. The Saudi Arabian newspaper

Al-Riyadh said the U.S. and the international community were faced with two choices: "Either to stand on the side of justice and peace, or snuff out any moderate voice calling for a peaceful solution." This decision could force "the entire Arab nation to resort to other means to recover its rights."

This theme was taken up in Kuwait where leading newspapers called openly for sanctions against the U.S. if it used In Israel there has been little

anxiety over the outcome of the Security Council debate. Re-assured by Washington that the U.S. would not support a vote for sanctions, the Israealis giving the international com-emphasised that they could live munity "another chance to with a resolution merely conemphasised that they could live

do not have an effective opposi-

tion or an alternative govern-

Mr Basnett said the unions

Mrs Judith Hart, the party chairman, said: "I think we are at the point of reaching a new

basis of consolidation to fight

the Tories and the SDP and to

The unions and party leaders

last night sketched out a new basis for the party's parlous finances. Earlier, the unions

who met separately from the

party leaders, had discussed raising the levy paid by indi-

THE Social Democrats and the bution of seats between local problems have been brought

Liberals hope to resume nego- negotiators. At Mr Rodgers' out into the open, it will be tiations later this week over the suggestion, two "firemen" have possible to inject more energy

suggestion, two - nremen " have possible to inject more energy allocation of parliamentary been appointed to keep abreast and goodwill into the talks seats between the parties with detailed negotiations and. Both have too much at stake following the suspension of if necessary, to solve local electorally to risk undergraining talks last weekend. But some key local difficulties remain.

Penhaligon for the Liberals and has shown some of the frustra-

Mr David Steel, the Liberal Mr John Horam for the SDP. tions and the differences of leader, and Mr Bill Rodgers, After lunch, Mr Rodgers said style and structure between the one of the SDP's collective he believed "the problems can parties.

leadership, yesterday met over be solved though it will not be lunch to defuse what was plain sailing." He stressed the A number of serious difficultecoming an increasingly em-SDP's commitment to the ties remain. In particular, there

barrassing row which was being Alliance. Separate negotiating appears to be agreement, at taken up by Labour and Tory teams of each party will meet least nationally, that a ring

MPs to attack the Alliance. today to discuss yesterday's fence should be drawn around Mr Steel and Mr Rodgers concordat before a joint meet- Greenock where local Liberals agreed that new procedures ing tomorrow which is expected are challenging Mr Dickson should be established to prevent formally to restart negotiations. Mabon, the sitting SDP

another producer of very heavy Widely-quoted industry stati- year. Four years ago, OPEC was crude, amounced price cuts on stics just published by the producing over 31m b/d.

show that as a result of the

OPEC members other than

with 26.89m b/d in the previous

Mexican oil price Continued from Page 1

its various heavy grades ranging magazine Oil and Gas Journal

Mexico, which is not an economic recession and con-OPEC member, has become a servation practices, world oil

growing force in the inter-production last year fell by the

prowing force in the inter-national oil market. Its exports history. World output fell 6 per history of OPEC's position weaken-tory of OPEC's position and the

ing of OPEC's position and the to 55.9m b/d last year compared

with 1980.

Both sides hope that, now the member.

Alliance to resume bargaining

would bring up the issue of near future. the deputy leadership contest The union

ment available."

next election,"

et todya's discussions.

U.S. diplomats in Tel Aviv said that despite the Reagan Administration's anger at the

Israeli action, it was wary of putting too much pressure on Mr Menahem Begin Israeli's Prime Minister, in case he responded by halting the with drawal from Sinai. The U.S. attitude during the Security Council debate is

likely to have an important impact on the future of Saudi Arabia's eight-point peace plan for the Middle East. A U.S. veto at the UN would

boost radical Arab opinion, which has opposed the Saudi initiative, and given weight to Syria's attempts to reconvene last November's abortive Arab summit with the emphasis switched to confrontation with

The White House announced yesterday that President Mubarak, of Egypt, would visit President Reagan on February

political funds, from an average

of Lp a week to as much as 5p

The unions will also call for the appointment of a director

of finance for the party and for more stringent control of party

A background paper prepared

for the Bishops Stortford meet-ing said the party's overdraft had risen nearly ten fold to

£461,000 in the past year and that the general election fund

was at its lowest for a decade.
It calculated that the party

needs £3m to fight the next

election but is at present un-

likely to gather as much as £2m.

possible to inject more energy

producing over 31m b/d.

William Chislett writes from

Mexico City: Mexico is export-

ing about 1.3m b/d and is

forecast on present performance

to earn about \$17bn (£8.9bn)

The price of Mexico's oil is

a highly nationalistic issue. The last price reduction, in June,

provoked a furious political storm and Sr Jorge Diaz

from oil exports this year.

expenditure.

Greece 'not bound' by EEC declaration

By Victor Walker in Athens

THE GREEK GOVERNMENT announced last night that it would not be bound by a European Community declaration which condemned the military takeover in Poland and the Soviet Union for backing Warsaw, and which warned of possible economic sanctions.

The statement followed the summary and public sacking in a television news bulletin at midnight on Monday of Mr Assimakis Fotilas, deputy Foreign Minister, who signed the declaration earlier in the day in Brussels on behalf of

Greece.

"He had failed to obey orders given to him," the Government said yesterday but refused to explain further. Mr Fotilas made no state-

ment on his return to Athens. During Monday's meeting of EEC ministers Mr Fotilas had helped to block a plan to send a special envoy to Warsaw and Moscow and held out against suggestions of economic sanctions against the Soviet Union.

He attended the meeting in place of Mr Ioannis Haralam-bopoulos, his Foreign Minis-

His dismissal was announced on television but there was official press statement and it was not known if the

minister himself was told The Greek Government had, until Monday's meeting, refused to join in any condemnation of events in Poland, restricting itself to an expression of "grave concern and grief."

Andreas Papandreou, the Prime Minister, promised to make socialist Government's view plain in a parliamentary debate on Poland expected to begin next week. By his instant dismissal of

Mr Fotilas without allowing him first to return to Athens and resign, Dr Papandreen appears to have given a clear warning to any other ministers who might be tempted to use their own initiative in EEC discussions.

He has also shown once again that he is unhappy with Greece's membership of the Community

Editorial comment, Page 12

Unions to warn Labour on funds Weather

UK TODAY COLD EASTERLY gar will bring snow showers, heavy and THE TRADE unions will today Hents — said last night: "The vidual members to their unions' prolonged in the East. Rain in southern England and Wales will turn to snow ahead of -though such a rise would be over a long period. It is more likely to be doubled in the brighter weather.

London, S. England, the Midlands, S. Wales Outbreaks of rain, turning to snow but becoming brighter with strong N.E. wind. Max.

5C (41F). S.W. England, Channel Isles Cloudy with rain at times and

snow on high ground. Max. 10C (50F). N. and N.E. England, N. Wales Snow showers with some longer outbreaks. Wind strong to moderate easterly. Max.

3C (37F). Scotland, the Highlands Snow showers with some drifting and strong to gale force N.E. wind. Max. 1C

S.W. Scotland, N. Ireland Scattered snow showers and sunny periods. Wind strong

2C (36F).

Outlook: Very cold with long outbreaks of rain or snow.

WORLDWIDE

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fi. Kong F 19 60 loays C 13 53 loans C 13 54 loans C 18 64 loans C 19 50 loans C 10 loans C 10 loans C 10 loans C Industry analysts said yesterday that with little growth in demand expected during the coming 12 months, further price cutting might occur, particularly by producers of crudes at the lighter and handles are reduced to resign. He was forced to resign. He can decline in their production reduced the price of Isthmus oil by \$4 a barrel. When Pemex mounted an unsuccessful action dropped in 1981 by 16.9 per to push the price \$2 a barrel handles are reduced with 26 20m b/d in the arrangement.

The new improved

THE LEX COLUMN

money figures

Having been over-optimistic about the money figures for banking November, the giltedged market was unnecessarily gloomy about the prospects for the short (only three weeks) and often unrepresentative December banking month. The rise in sterling M3 turns out to have been a perfectly acceptable 1 per cent, while the clear-ing banks' advances were unchanged on a seasonally adjusted basis.

But the clearing banks' experience is not a fair reflection of private sector credit demand. Total bank lending to the private sector seems to have been roughly £11bn-half the record November level but still high—of which £600m is accounted for by an increase in the Bank of England's holdings of commerial bills. Some of this must reflect the payment of an extra £lbn of tax held up by the civil service strike, and equivalent in itself to around 11 per cent of the money stock.

With bank lending continu-ing at this rate it seems unlikely that the December figures will prompt any relaxation of official policy. Anyone who is anxious for positive encouragement should look at the annualised figures for monetary growth which are favourably influenced by the inclusion of a number of deposit takers, ranging from the Trustee Savings Banks to the Assemblies of God Property Trust, whose balance sheets have been growing less rapidly overall than those of the mortgage-hungry clearers. So sterling M3, up 17.7 per cent annualised on the old basis in the nine months to November, has slowed to a 151 per cent growth rate on the new series in the ten months to December. An application from Banque Stagnante to join the "monetary sector" is believed to be under consideration at the highest

gilt - edged the day were reduced to half a to explain why its Tunnel stake ing capacity to take advant point. But the fear of an is worth a lot more per share of low heavy crude prices.

Index fell 4.2 to 518.1

upward twist in U.S. interest rates is a more powerful influence than better-behaved British money figures and a firm pound, and yields on medium-dated stocks are back to a wary 16} per cent.

RTZ/Ward

Thomas W. Ward is not renowned for the speed with which it produces figures, so yesterday's detailed forecast for the full year to September 1982 suggests an element of panic. Ward failed to produce a fullyear forecast at any stage during last year's bid for Tunnel and its 1981 figures, hastened by the RTZ offer, have been in only a month.

The forecast is certainly a

comprehensive and sturdily argued document. Precise figures are given for all its subsidiary businesses, an awe-some task in the case of engineering or vehicle distribution. Ward admittedly has some latitude since £1m has been allocated as a "general con-tingency" and the impressive list of 21 assumptions covers almost every eventuality short of nuclear fall-out.

RTZ has been doing the rounds of institutional shareholders and Ward was obviously worried that a higher offer would win immediate acceptance. So it has put all its cards on the table in an apparent attempt to flush out an even higher price. Ward shares responded yesterday with a jump of 8p to 218p, where they stand 28p above the existing RTZ cash offer. The latest document places

considerably less emphasis on the unsuitability of RTZ as a bidder and more on the inadequacy of its offer. Ward will receive no help from Tunnel managed a feeble rally on in defending itself, and it is the figures, so that losses on having to tie itself in knots

for Tunnel last year. Ward now looks to be directing its efforts towards obtaining the best possible price for its shareholders.

Oil sector

It is now more than two months since the Opec meeting at which the Saudis regained control of the cartel and re-established a unified oil pricing structure. Demand has proved extremely weak and there seems to have been little reduction in the surplus of stocks, judging by the falling spot prices in Rosterdam and the re-emergence of petrol price wars. On the stock market, the oil sector, which had enjoyed something of a run in the autumn shead of the meeting, has subsequently lost all its gains, falling more than 6 per cent relative to the All-Share. A further twist has been added this week, with Venezuela introducing an average \$\frac{1}{2} a barrel cut in heavy crude oil prices on Monday and Mexico slashing its very heavy crude price by \$2 yesterday to

But these cuts do not mean that the oil price is about to go into a tail-spin. Two things seem to be happening. The process of adjusting price differentials in the new circumstances is taking some time. Meanwhile, demand for the heavier crudes—used mainly in power generation—is particularly slack due to coal and nuclear substitution and the recession. So far it looks as if the Saudis can cut production enough to bring the overall market into balanceeventually. But whereas until recently this had been expected in the spring, now it looks as if conditions will remain slack until the second balf.

So the outlook for the oil majors is not very encouraging, although at least the ending of the Aramco advantage has been a positive influence for BP and Shell. Moreover, Shell is one of the few majors with cracking capacity to take advantage

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